
TRUST AGREEMENT

between

DELAWARE TRANSPORTATION AUTHORITY

and

WILMINGTON TRUST COMPANY

Dated as of August 1, 1988

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TRUST AGREEMENT

THIS TRUST AGREEMENT dated as of August 1, 1988, between DELAWARE TRANSPORTATION AUTHORITY, a public instrumentality and body corporate and politic of The State of Delaware (the "Authority"), and WILMINGTON TRUST COMPANY ("WTC"), a banking corporation organized and existing under the laws of the State of Delaware (WTC, not in its individual capacity, but solely in its capacity as trustee is hereinafter referred to as the "Trustee").

Recitals

The Authority is authorized and empowered under the Transportation Trust Fund Act, constituting Chapter 87, Volume 66 of the laws of The State of Delaware and the Delaware Transportation Authority Act, constituting Chapter 164, Volume 62 of the laws of The State of Delaware, both as amended, from time to time (collectively, the "Act"), to issue bonds for the purpose of paying all or part of the cost of a Project (as such term is hereinafter defined) and to refund bonds issued by the Authority. The Authority proposes to issue and sell bonds, from time to time, for its corporate purposes and desires to enter into this Agreement (as such term is hereinafter defined) for such purposes. All things necessary to make this Agreement a valid agreement of the Authority, in accordance with its terms, have been done.

Granting Clause

For and in consideration of these premises and the mutual covenants herein contained, of the acceptance by the Trustee of the trusts hereby created, of the purchase and acceptance of the Bonds (as such term is hereinafter defined) by the holders thereof and of the sum of one dollar lawful money of the United States of America, to the Authority duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of and premium, if any, and interest on the Bonds at any time Outstanding (as such term is hereinafter defined) under this Agreement according to their tenor and the performance and observance by the Authority of all the covenants and conditions expressed or implied herein and contained in the Bonds, the Authority does hereby grant, bargain, sell, convey, mortgage, pledge and assign, and grant a security interest in, the Trust Estate (as such term is hereinafter defined) to the Trustee, its successors in trust and their assigns forever;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby transferred, or agreed or intended so to

be, to the Trustee, its successors in trust and their assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit and security of all holders of the Bonds issued under and secured by this Agreement without preference, priority or distinction as to lien of any Bonds over any other Bonds except as otherwise provided herein or in any Supplemental Agreement (as such term is hereinafter defined); provided, however, that (a) the holders of Senior Bonds (as such term is hereinafter defined) shall have a prior and superior lien on the Funds (as such term is hereinafter defined) created under this Agreement to the lien of the holders of the Junior Bonds (as such term is hereinafter defined) except with respect to the lien on the Junior Bonds Principal and Interest Account, the Junior Bonds Redemption Account and the Junior Bonds Debt Service Reserve Account (as such capitalized terms are hereinafter defined) (the lien of the holders of Junior Bonds on the Junior Bonds Principal and Interest Account, the Junior Bonds Redemption Account and the Junior Bonds Debt Service Reserve Account shall be prior and superior to the lien of the holders of Senior Bonds); (b) certain holders of Senior Bonds may be given a prior and superior lien to holders of other Senior Bonds in a Fund into which are only deposited proceeds of such Bonds together with interest thereon and investment proceeds thereof; (c) the holders of certain Bonds may be given a prior and superior lien in accounts into which are deposited proceeds of advances or draws under a Credit Facility ensuring the payment of such Bonds to the extent of any such deposit; and (d) proceeds of advances or draws under a Credit Facility ensuring the payment of principal of and interest on any series of Bonds shall be excluded from the pledge and assignment of the Trust Estate although held for the benefit of holders of Bonds.

PROVIDED, HOWEVER, that if, after the right, title and interest of the Trustee in and to the Trust Estate shall have ceased, terminated and become void in accordance with Article VIII of this Agreement, the principal of and premium, if any, and interest on the Bonds shall have been paid to the holders thereof, then and in that case these presents and the estate and rights hereby granted shall cease, determine and be void, and thereupon the Trustee shall cancel and discharge this Agreement and execute and deliver to the Authority such instruments in writing as shall be requisite to evidence the discharge hereof; otherwise this Agreement to be and remain in full force and effect.

THIS AGREEMENT FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered, and the Trust Estate and the other estate and rights hereby granted are to be dealt with and disposed of, under, upon and subject to the terms, conditions,

stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Authority has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective holders, from time to time, of the Bonds as follows:

ARTICLE I

Definitions

SECTION 1.01. Definitions. The terms defined in this Article I shall, for all purposes of this Agreement, have the meanings given in this Article I, unless the context clearly requires otherwise.

"Accreted Value" shall mean, as of any date of computation with respect to any Compound Interest Bond, an amount equal to the principal amount of such Compound Interest Bond (the principal amount at its original issuance) plus the interest accrued on such Compound Interest Bond from the date of its original issuance to the Interest Payment Date next preceding the date of computation or the date of computation if an Interest Payment Date, such interest to accrue at the interest rate per annum of the Compound Interest Bonds set forth in the Supplemental Agreement authorizing the issuance of such Compound Interest Bonds, compounded on each Interest Payment Date, plus, with respect to matters related to the payment upon redemption or acceleration of the Compound Interest Bonds, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Accreted Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Accreted Value as of the immediately succeeding Interest Payment Date, calculated based upon an assumption that Accreted Value accrues during any semi-annual period in equal daily amounts on the basis of a year of 360 days consisting of twelve (12) months of thirty (30) days each.

"Additional Revenues" shall mean any receipts or revenues of the Authority pledged to the Trustee for the benefit of the holders of the Bonds pursuant to a Supplemental Agreement and not pledged by this Agreement on the date of its initial execution and delivery.

"Agreement" shall mean this Trust Agreement, dated as of the 1st day of August, 1988, between the Authority and WTC together with all agreements supplemental hereto as herein permitted.

"Amortized Value" shall mean when used with respect to securities purchased at a premium above, or a discount below par,

the value as of any given date obtained by dividing the total amount of the premium or the discount at which such securities were purchased by the number of days remaining to maturity of such securities at the time of such purchase and by multiplying the amount so calculated by the number of days having passed from the date of such purchase, and (i) in the case of securities purchased at a premium, by deducting the product thus obtained from the purchase price and (ii) in the case of securities purchased at discount, by adding the product thus obtained to the purchase price.

"Annual Budget" shall mean the Authority's budget required to be prepared by the Act, showing, among other things, the expected deposits to the Funds created under this Agreement.

"Appreciated Value" shall mean, (i) as of any date of computation with respect to any Compound Interest and Income Bond prior to the Interest Commencement Date set forth in the Supplemental Agreement providing for the issuance of such Compound Interest and Income Bond, an amount equal to the principal amount of such Compound Interest and Income Bond (the principal amount at its original issuance) plus the interest accrued on such Compound Interest and Income Bond from the date of original issuance of such Bond to the Interest Payment Date next preceding the date of computation or the date of computation if an Interest Payment Date, such interest to accrue at the rate per annum of the Compound Interest and Income Bonds set forth in the Supplemental Agreement providing for the issuance of such Compound Interest and Income Bond, compounded semiannually on each Interest Payment Date, plus, if such date of computation shall not be an Interest Payment Date, a portion of the difference between the Appreciated Value as of the immediately preceding Interest Payment Date (or the date of original issuance if the date of computation is prior to the first Interest Payment Date succeeding the date of original issuance) and the Appreciated Value as of the immediately succeeding Interest Payment Date calculated based upon an assumption that Appreciated Value accrues during any period in equal daily amounts on the basis of a year of 360 days consisting of twelve (12) months of thirty (30) days each, and (ii) as of any date of computation on and after the Interest Commencement Date, the Appreciated Value on the Interest Commencement Date.

"Authority" shall mean the Delaware Transportation Authority, a body corporate and politic constituting a public instrumentality of The State of Delaware, and the successor or successors of the Authority.

"Authorized Authority Representative" shall mean each person at the time designated to act on behalf of the Authority by written certificate furnished to the Trustee containing the

specimen signature of such person and signed on behalf of the Authority by the Secretary and the Director.

"Available Moneys" shall have the meaning given that term in a Supplemental Agreement and shall mean, generally, money that may be applied to pay Principal and Interest Requirements on Bonds which is not subject to avoidance under Title 11 U.S.C. 547 (Supp. V 1981) of The Bankruptcy Reform Act of 1978 as a preferential transfer.

"Bonds" or "Bond" shall mean Senior and/or Junior "Bonds" or "Bond" issued under this Agreement.

"Bond Counsel" shall mean an attorney or firm of attorneys which is a nationally recognized municipal bond counsel and acceptable to the Trustee and the Authority.

"Business Day" shall mean (a) a day on which the Trustee and Paying Agent are both open at their respective addresses, specified in or for the purpose of this Agreement, for the purpose of conducting their respective businesses, and (b) whenever Bonds bearing interest at the Short-Term Rate have been issued and are outstanding, then as to such Bonds, Business Day shall be a day on which any Tender Agent, Remarketing Agent and The New York Stock Exchange are also open for business.

"Capital Fund" shall mean the Delaware Transportation Authority Capital Fund, a trust fund created and designated by the provisions of Article V of this Agreement.

"Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

"Commercial Paper Rate" shall mean the interest rate on any Bond with a scheduled maturity not to exceed 365 days from its date of issuance as such rate shall be determined by a Supplemental Agreement.

"Commercial Paper Rate Period" shall mean, with respect to any Bond bearing interest at the Commercial Paper Rate, the period (which may be any period during which from 1 to 365 days of interest shall accrue) determined as provided in the applicable Supplemental Agreement.

"Compound Interest and Income Bonds" shall mean any Bonds as to which accruing interest is not paid prior to the Interest Commencement Date specified in the Supplemental Agreement providing for the issuance of such Bonds and the Appreciated Value for such Bonds is compounded semiannually on each of the applicable semiannual dates designated for compounding prior to the Interest Commencement Date for such

Compound Interest and Income Bonds, all as so designated by the Supplemental Agreement providing for the issuance of such Bonds.

"Compound Interest Bonds" shall mean those Bonds as to which interest is compounded semiannually on each of the applicable semiannual dates designated for compounding and payable in an amount equal to the then current Accreted Value only at the maturity, earlier redemption or other payment date therefor, all as so designated by the Supplemental Agreement providing for the issuance of such Bonds.

"Cost" shall mean, without intending thereby to limit or restrict any proper definition of such word under the provisions of the Act, the cost of construction, reconstruction or improvement of a Project and all obligations and expenses incidental thereto and all items of cost which are set forth in Section 5.04 of this Agreement.

"Counsel" shall mean an attorney or firm of attorneys, reasonably acceptable to the Trustee, and may include an attorney or firm of attorneys employed by the Authority.

"Credit Facility; Termination thereof; Expiration thereof" "Credit Facility" shall mean any of the following: (i) a letter of credit; and (ii) any other credit facility, insurance policy or other credit support agreement or mechanism obtained, delivered, made, entered into or otherwise arranged by the Authority for the purpose of securing, evidencing or being otherwise in furtherance of the obligations of the Authority under this Agreement or for the purpose of securing all or a portion of the Bonds, or for all of the foregoing purposes. Credit Facility shall include any agreement to reimburse the obligor of such Credit Facility for a drawing or advance under that Credit Facility as well as the agreement, if separate, which embodies the obligation of the obligor to the Authority or the Trustee permitting the Authority or the Trustee to draw or obtain advances under such Credit Facility. "Termination" (and other forms of the word "terminate") shall mean, when used with respect to any Credit Facility, the replacement, removal, surrender or other termination of such Credit Facility by the Trustee other than the Expiration of such Credit Facility. "Expiration" (and other forms of the word "expire") shall mean, when used with respect to any Credit Facility, the expiration or termination of such Credit Facility in accordance with its terms.

"Current Interest Bonds" shall mean any bonds the interest on which is paid at least semi-annually unless otherwise provided in a Supplemental Agreement.

"Debt Service Fund" shall mean the Delaware Transportation Authority Debt Service Fund, a trust fund created

and designated by the provisions of Section 4.01 of this Agreement.

"Debt Service Reserve Fund" shall mean the Delaware Transportation Authority Debt Service Reserve Fund, a trust fund created and designated by the provisions of Section 4.01 of this Agreement.

"Defeased Municipal Obligations" shall mean obligations of state or local governments or obligations of public authorities or agencies which are rated in the highest Rating Category by S&P or Moody's and provisions for payment of which have been made by deposit of funds or investments with a trustee or escrow agent for the benefit of the holders of such Defeased Municipal Obligations.

"Delaware Turnpike" shall mean the toll express highway designated Delaware Interstate 95 extending from a point in the vicinity of Farnhurst, Delaware, to a point at or near the boundary line between the State and the State of Maryland.

"Delaware Turnpike Revenues" shall mean all tolls, concession revenues and other revenues or receipts derived from the ownership, operation or maintenance of the Delaware Turnpike.

"Department" shall mean the Department of Transportation of The State of Delaware, and the successor or successors of the Department.

"Depository" shall mean the Trustee and shall also mean one or more other banks or trust companies duly authorized to engage in the banking business and designated by the Authority as a Depository of moneys and appointed by the Authority in accordance with Section 10.21 hereof.

"Director" shall mean the Director of the Authority.

"Document Fees" shall mean the fees derived from motor vehicle document fees imposed by the State pursuant to Section 3002, Chapter 30, Title 30, Delaware Code, as amended, from time to time, and successor sections of the Delaware Code.

"Engineering Consultants" shall mean a firm or corporation having a nationwide and favorable repute for skill and experience in all phases of turnpike engineering and maintenance and in estimating operating expenses incurred in operating toll turnpikes.

"Event of Default" shall have the meaning set forth in Section 9.01 of this Agreement.

"Fiscal Year" shall mean the period commencing on the first day of July of any year and ending on the last day of June of the following year.

"Fund" shall mean any fund or account created under this Agreement.

"Government Obligations" shall mean (a) direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America and entitled to the full faith and credit thereof; (b) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (a) above or in any specific interest or principal payments due in respect thereof; provided, however, that the custodian of such obligations or specific interest or principal payments shall be a bank or trust company organized under the laws of the United States of America or of any state or territory thereof or of the District of Columbia, with a combined capital stock surplus and undivided profits of at least \$50,000,000 or the custodian is appointed by or on behalf of the United States of America; and provided, further, that except as may be otherwise required by law, such custodian shall be obligated to pay to the holders of such certificates, depositary receipts or other instruments the full amount received by such custodian in respect of such obligations or specific payments and shall not be permitted to make any deduction therefrom; and (c) Defeased Municipal Obligations.

"Holders of Bonds" or "holder" shall mean the person in whose name any Bond is registered upon the registration books maintained pursuant to Section 10.23 of this Agreement.

"Interest Commencement Date" shall mean with respect to any particular Compound Interest and Income Bond, the date which must be an Interest Payment Date, as set forth in the Supplemental Agreement providing for the issuance of such Bond (which date must be prior to the scheduled maturity date for such Bond) after which interest accruing on such Bond shall be payable semiannually, with the first such payment being the applicable Interest Payment Date immediately succeeding such Interest Commencement Date.

"Interest Payment Date" shall have the meaning set forth in the Bonds.

"Interest Period" shall have the meaning set forth in the Bonds.

"Investment Account" shall mean the Delaware Transportation Authority Investment Account, a trust fund created

and designated by the provisions of Section 4.01 of this Agreement.

"Junior Bonds" shall mean Bonds, at any time Outstanding, the principal and interest on which are payable from the Junior Bonds Principal and Interest Account, the Junior Bonds Redemption Account and, as provided in this Agreement, from the Junior Bonds Debt Service Reserve Account and by their terms, subordinate in right of payment to Senior Bonds (except with respect to Junior Bonds Priority Funds) but senior in their right of payment to Subordinate Indebtedness.

"Junior Bonds Debt Service Reserve Account" shall mean the Delaware Transportation Authority Junior Bonds Debt Service Reserve Account, a trust fund created and designated by the provisions of Section 4.01 of this Agreement.

"Junior Bonds Debt Service Reserve Account Requirement" shall mean, as of any date of determination, an amount equal to one-half the maximum Principal and Interest Requirements on Junior Bonds then Outstanding; provided that with respect to any Junior Bonds bearing interest at the Short-Term Rate, such requirement shall be determined by Supplemental Agreements.

"Junior Bonds Principal and Interest Account" shall mean the Delaware Transportation Authority Junior Bonds Principal and Interest Account, a trust fund created and designated by the provisions of Section 4.01 of this Agreement.

"Junior Bonds Priority Funds" shall mean moneys on deposit in and/or payable under a Credit Facility to the Junior Bonds Principal and Interest Account, Junior Bonds Redemption Account and/or the Junior Bonds Debt Service Reserve Account.

"Junior Bonds Redemption Account" shall mean the Delaware Transportation Authority Junior Bonds Redemption Account, a trust fund created and designated by the provisions of Section 4.01 of this Agreement.

"Long-Term Rate" shall mean the interest rate on any Bond that is unchanging to the maturity of such Bond and which is not a Short-Term Rate.

"maximum Principal and Interest Requirement" shall mean the maximum principal and interest payable in any Fiscal Year with respect to Senior Bonds or Junior Bonds, as the case may be, less the sum of the proceeds of such Bonds issued to fund interest of such series of Bonds during the Fiscal Year of calculation.

"Moody's" shall mean Moody's Investors Service, a corporation organized and existing under the laws of The State of

Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority, by notice to the Trustee and to any Remarketing Agent.

"Motor Fuel Tax Revenues" shall mean the revenues derived from the motor fuel tax imposed by the State pursuant to Chapter 51, Title 30, Delaware Code, as amended, from time to time, and successor provisions of the Delaware Code.

"Net Motor Fuel Tax Revenues" shall mean Motor Fuel Tax Revenues remaining after said taxes have been applied as required by the Prior Trust Agreement.

"Notice by Mail" "Notice by Mail", "Mailing" or "notice" of any action or condition "by Mail" shall mean a written notice meeting the requirements of this Agreement mailed by first-class mail to the holders of specified Bonds at the addresses shown in the registration books maintained pursuant to Section 10.23 hereof, provided, however, that if, because of the temporary or permanent suspension of delivery of first-class mail or for any other reason, it is impossible or impracticable to give such notice by first-class mail, then such giving of notice in lieu thereof, which may include publication, which is not objected to by the Trustee (or, if there be no Trustee hereunder, the Authority) shall constitute a sufficient giving of such notice.

"Notice by Publication" "Notice by Publication" or "notice" of any action or condition "by Publication" shall mean publication of a notice meeting the requirements of this Agreement in "The Bond Buyer" or in a newspaper or financial journal of general circulation in The City of New York, New York, which carries financial news, is printed in the English language and is customarily published on each Business Day; provided, however, that any successive weekly publication of notice required hereunder may be made, unless otherwise expressly provided herein, on the same or different days of the week and in the same or different newspapers or financial journals; and provided, further, that if, because of the temporary or permanent suspension of the publication or general circulation of any newspaper or financial journal or for any other reason, it is impossible or impracticable to publish such notice in the manner herein described, then such publication in lieu thereof which is not objected to by the Trustee (or, if there be no Trustee hereunder, the Authority) shall constitute a sufficient publication of such notice.

"Operating Fund" shall mean the Delaware Transportation Authority Operating Fund, a trust fund created and designated by the provisions of Section 4.01 of this Agreement.

"Operating Reserve Fund" shall mean the Delaware Transportation Authority Operating Reserve Fund, a trust fund created and designated by the provisions of Section 4.01 of this Agreement.

"Other Projects Account" shall mean the Delaware Transportation Authority Other Projects Account, a trust fund created and designated in Section 5.01 hereof.

"Outstanding" when used in reference to the Bonds, shall mean, as at any particular date, the aggregate of all Bonds authenticated and delivered under this Agreement except:

- (a) those Bonds cancelled at or prior to such date or delivered to or acquired by the Trustee at or prior to such date for cancellation;
- (b) those deemed to be paid in accordance with Article VIII hereof;
- (c) those deemed to be purchased in accordance with any agreement with a Tender Agent or Remarketing Agent; and
- (d) those in lieu of or in exchange or substitution for which other Bonds shall have been authenticated and delivered pursuant to this Agreement.

"Paying Agent; Co-Paying Agent; Principal Office Thereof" "Paying Agent" and "Co-Paying Agent" shall mean the paying agent and any co-paying agent appointed in accordance with Section 10.21 hereof. "Principal Office" of the Paying Agent or any Co-Paying Agent shall mean the office thereof designated in writing to the Trustee.

"person" shall mean an individual, a corporation, a partnership, an association, a trust or any other entity or organization including a governmental or political subdivision or an agency or instrumentality thereof.

"principal" or "principal amount" shall mean (i) with respect to any Compound Interest and Income Bond, the Appreciated Value thereof and with respect to any Compound Interest Bond, the Accreted Value thereof (the difference between the stated amount to be paid at maturity and the Appreciated Value or the Accreted Value, as the case may be, being deemed unearned interest) except as used in connection with the authorization and issuance of

Bonds and with the order of priority of payments of Bonds after an Event of Default (of which the Trustee has notice within the meaning of Section 10.05 hereof), in which case "principal" means the initial public offering price of a Compound Interest and Income Bond and a Compound Interest Bond (the difference between the Appreciated Value or the Accreted Value, as the case may be, and the initial public offering price being deemed interest) and (ii) with respect to any Current Interest Bond, the principal amount of such Bond payable at maturity.

"Principal and Interest Requirements" shall mean for any Fiscal Year:

- (a) as applied to any Outstanding Bonds (except as provided in clauses (b), (c), (d) and (e) below), the sum of:
 - (i) the amount required to pay interest and any annual or other periodic fee payable to the provider of a Credit Facility ensuring the payment of principal of and interest on all serial Bonds then Outstanding which is payable in such Fiscal Year (and on any July 1 of the following Fiscal Year if any interest payable on July 1 of the Fiscal Year of calculation is excluded);
 - (ii) the amount required to pay principal of all serial Bonds then Outstanding which is payable in such Fiscal Year (and on any July 1 of the following Fiscal Year if the principal payment due on any July 1 of the Fiscal Year of calculation is excluded);
 - (iii) the amount required to pay interest and any annual or other periodic fee payable to the provider of a Credit Facility ensuring the payment of principal of and interest on all term Bonds then Outstanding which is payable in such Fiscal Year (and on any July 1 of the following Fiscal Year if interest payable on any July 1 of the Fiscal Year of calculation is excluded); and
 - (iv) the amount required to meet the Sinking Fund Payments on all term Bonds then Outstanding which is payable in such Fiscal Year (and on any July 1 of the following Fiscal Year if the amount required to meet the Sinking Fund Payment on any July 1 of the Fiscal Year of calculation is excluded);

- (b) as applied to Bonds of any series which are payable in a Fiscal Year by virtue of the right of a holder of Bonds to demand repurchase or repayment prior to their scheduled maturity (after taking into account all scheduled mandatory redemptions or prepayments payable over the life of those Bonds):
- (i) The amount required to pay interest and any annual or other periodic fee payable to the provider of a Credit Facility ensuring the payment of principal of and interest on such Bonds then Outstanding which is payable in a Fiscal Year (and on any July 1 of the following Fiscal Year if interest payable on any July 1 of the Fiscal Year of calculation is excluded);
 - (ii) the amount required to pay principal of such Bonds then Outstanding which is payable in a Fiscal Year (and on any July 1 of the following Fiscal Year if principal payable on any July 1 of the Fiscal Year of calculation is excluded) assuming that the principal amount of such Bonds which is subject to repurchase or repayment prior to its scheduled maturity shall be required to be repurchased or repaid on the earliest date on which such demand can be made or on which by its terms it can be required to be repaid;
 - (iii) notwithstanding items (i) and (ii) in this clause (b), if the Authority has delivered a Credit Facility to the Trustee under which money is available for the payment of all or a portion of such Bonds ("a balloon payment") (provided that if the Credit Facility is scheduled to expire prior to the date of payment of the balloon payment, the amount available under the Credit Facility is required to be drawn and applied to the payment of the balloon payment unless the Credit Facility is replaced or renewed prior to such Expiration date) Principal and Interest Requirements shall be calculated as follows: (1) it shall be assumed that the amounts available under the Credit Facility are drawn on the earlier of the balloon payment date or the Expiration or Termination date of the Credit Facility; (2) the Principal and Interest Requirements on the Bonds for each Fiscal Year prior to the

Fiscal Year of the assumed date of drawing on the Credit Facility shall be deemed to be equal to the amount of principal and interest payments scheduled to be paid; and (3) the Principal and Interest Requirements for the Fiscal Year of the assumed draw under the Credit Facility and for each Fiscal Year thereafter shall be deemed to be equal to the sum of the principal and interest payable during such period by the terms of the Credit Facility and the principal and interest payments of other Bonds of that series for which amounts are not available under the Credit Facility;

- (c) with respect to any Bonds bearing interest at the Short-Term Rate, for purposes of calculations made under (a) or (b) above, interest payments shall be the sum of:
 - (i) the maximum interest rate payable at the Short-Term Rate as determined by the Supplemental Agreement pursuant to which such Bonds are issued, or, if higher, the maximum rate payable on Bonds if held by any provider of a Credit Facility ensuring the payment of principal of and interest on such Bonds but only to the extent that such interest is payable from a Debt Service Fund; and
 - (ii) any annual or other periodic fee payable to the provider of a Credit Facility ensuring the payment of principal of and interest on the Bonds subject to the foregoing calculations;
- (d) Notwithstanding the foregoing provisions of this definition with respect to any Bonds bearing interest at the Commercial Paper Rate, the payment of principal of and interest on which is ensured by the provider of a Credit Facility, Principal and Interest Requirements for each Fiscal Year shall be calculated assuming level debt service over 20 years with interest, for purposes of that calculation, at the maximum allowable rate on the date of initial issuance of Bonds bearing interest at the Commercial Paper Rate as determined by the Supplemental Agreement pursuant to which such Bonds are issued, or, if higher, the maximum rate payable on such Bonds if held by such provider of the Credit Facility but only to the extent that such interest is payable from a Debt Service Fund;

- (e) Notwithstanding the foregoing provisions of this definition, Principal and Interest Requirements with respect to Compound Interest Bonds and Compound Interest and Income Bonds (each of such Bonds may comprise a portion of a series) shall be determined by the Supplemental Agreement providing for the issuance of any such Bonds but in any event, shall commence on the Interest Commencement Date with respect to Compound Interest and Income Bonds and, with respect to Compound Interest Bonds, either six months or one year prior (or such lesser time prior, as provided in the applicable Supplemental Agreement) to the date on which Accreted Value becomes due and payable with principal and interest portions of Accreted Value payable on such due date being deemed to accrue in equal daily installments commencing on the first day of such one year period (or such other period as is provided in the Supplemental Agreement pursuant to which such Bonds are issued).

"Prior Bonds" shall mean all bonds of the Authority issued pursuant to Chapter 13, Title 2, Delaware Code, as amended, other than bonds which no longer have a claim on revenues and receipts of the Authority.

"Prior Trust Agreement" shall mean the trust agreement dated as of September 1, 1981, as supplemented, between the Authority and WTC and pursuant to which the Prior Bonds were issued.

"Project" shall mean any project which the Authority is authorized to finance under the provisions of the Act.

"purchase price" shall mean the purchase price of a Bond that may be put as set forth in a Bond.

"put" shall have the meaning set forth in a Supplemental Agreement and may refer to the right of the holder to demand payment of a Bond (or to tender a Bond for payment) prior to its scheduled maturity and/or to the obligation of a holder of a Bond to tender a Bond for payment.

"Qualified Investments" shall mean

- (a) (i) Government Obligations and (ii) bonds, debentures, notes or other obligations issued or guaranteed by any of the following: Federal National Mortgage Association, the Federal Financing Bank, the Federal Home Loan Mortgage Association, the Federal Housing Administration,

- the Farmers Home Administration, the Government National Mortgage Association, or by any other agency controlled by or supervised by and acting as an instrumentality of the United States Government (except for the Federal Farm Credit Bank, the Federal Land Bank, the Federal Intermediate Credit Bank, the Federal Home Loan Banks, or the Federal Bank for Cooperatives),
- (b) certificates of deposit issued by, and time deposits in, any bank (including the Trustee), any branch of any bank, national banking association or federally chartered savings and loan association; provided that, with respect to any of the foregoing institutions, other than the Trustee, whose long-term unsecured indebtedness is rated less than A by Moody's or S&P, such certificates of deposit or time deposits are (i) insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation for the full face amount thereof or (ii) to the extent not so insured, collateralized by direct obligations of the United States of America having a market value of not less than the face amount of such certificates and deposits,
 - (c) evidences of ownership of a proportionate interest in specified direct obligations of the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, or when "stripped" by the United States Treasury, then by the custodian designated by the United States Treasury,
 - (d) Defeased Municipal Obligations,
 - (e) obligations of state or local government municipal bond issuers which are rated in one of the two highest Rating Categories by S&P or Moody's,
 - (f) obligations of state or local government municipal bond issuers, the principal of and interest on which, when due and payable, have been insured by an insurance policy or guaranteed by a letter of credit and which are rated in one of the two highest Rating Categories by S&P or Moody's despite the failure of such obligations to qualify as a Qualified Investment under (e) above,

- (g) interests in a money market mutual fund registered under the Investment Company Act of 1940, 15 U.S.C. §§80-1, et seq., as from time to time amended, the portfolio of which is limited to obligations described in clause (a), (e) or (f) above and repurchase agreements fully collateralized thereby provided that such fund has total assets of at least \$100,000,000 and is rated in the highest Rating Category by S&P or Moody's,
- (h) evidences of ownership of a proportionate interest in specified Defeased Municipal Obligations which Defeased Municipal Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian,
- (i) any repurchase agreement for Government Obligations by the Trustee that is with a bank or trust company (including the Trustee) or any securities dealer which is a member of the Securities Investors Protective Corporation; provided, however, that the Government Obligations must be transferred to the Trustee or a third party agent by physical delivery or by an entry made on the records of the issuer of such obligations, and the collateral security must continually have a market value at least equal to the amount so invested and the collateral must be free of third party claims, and further provided that (i) in the case of a bank or trust company, such institution shall have a combined capital and surplus of not less than \$50,000,000 or have ratings from S&P or Moody's in one of their three highest Rating Categories and (ii) in the case of a securities dealer, such dealer is a member of the National Association of Securities Dealers, Inc. Any investment in a repurchase agreement shall be considered to mature on the date the bank, trust company or recognized securities dealer providing the repurchase agreement is obligated to repurchase the Government Obligations, and
- (j) commercial paper rated in the highest Rating Category by either S&P or Moody's.

Any investment in obligations described in (a), (c), (d), (e), (f), (g), (h) and (j) above may be made in the form of an entry made on the records of the issuer of the particular obligation.

"Rating Agency" shall mean Moody's or S&P.

"Rating Category" shall mean a generic securities rating category, without regard to any refinement or gradation of such Rating Category by a numerical modifier or otherwise.

"Rebate Account" shall mean the Delaware Transportation Authority Rebate Account, a special fund created and designated by the provisions of Section 7.22 of this Agreement.

"Receipts and Revenues of the Authority" shall mean all moneys paid or payable to the Trustee by or for the account of the Authority, including, but not limited to, Net Motor Fuel Tax Revenues, Delaware Turnpike Revenues, Document Fees, the proceeds of all drawings by or advances to the Trustee under a Credit Facility in satisfaction of the Authority's obligations to make payments under this Agreement (other than drawings or advances under Credit Facilities ensuring payment of principal of and interest on Bonds), all Additional Revenues and all receipts of the Trustee which, under the provisions of this Agreement, reduce the amount of such payments.

"Record Date" shall have the meaning set forth in the Agreement as supplemented from time to time.

"Registrar; Principal Office thereof" "Registrar" shall mean the registrar appointed in accordance with Section 10.23 hereof. "Principal Office" of the Registrar shall mean the office thereof designated in writing to the Trustee.

"Remarketing Agent" shall mean the remarketing agent appointed in accordance with a Supplemental Agreement to remarket Bonds, as determined pursuant to said Supplemental Agreement.

"Revenue Account" shall mean the Delaware Transportation Authority Revenue Account, a trust fund created and designated by the provisions of Section 4.01 of this Agreement.

"Revenue Fund" shall mean the Delaware Transportation Authority Revenue Fund, a trust fund created and designated by the provisions of Section 4.01 of this Agreement.

"S&P" shall mean Standard & Poor's Corporation, a corporation organized and existing under the laws of The State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority, by notice to the Trustee and any Remarketing Agent.

"Secretary" shall mean the Secretary of the Department of Transportation of The State of Delaware.

"Senior Bonds" shall mean Bonds, at any time outstanding, that by their terms are senior in right of payment to Junior Bonds (except Junior Bonds to the extent payable from Junior Bonds Priority Funds) and the principal and interest on which are payable from the Senior Bonds Principal and Interest Account, the Senior Bonds Redemption Account and, as provided in this Agreement, from the Senior Bonds Debt Service Reserve Account.

"Senior Bonds Debt Service Reserve Account" shall mean the Delaware Transportation Authority Senior Bonds Debt Service Reserve Account, a trust fund created and designated by the provisions of Section 4.01 of this Agreement.

"Senior Bonds Debt Service Reserve Account Requirement" shall mean, as of any date of determination, an amount equal to one-half the maximum Principal and Interest Requirements on Senior Bonds then Outstanding, subject to the provisions of Section 4.05 of this Agreement; provided that with respect to any Senior Bonds bearing interest at the Short-Term Rate, such requirement shall be determined by Supplemental Agreements.

"Senior Bonds Principal and Interest Account" shall mean the Delaware Transportation Authority Senior Bonds Principal and Interest Account, a trust fund created and designated by the provisions of Section 4.01 of this Agreement.

"Senior Bonds Redemption Account" shall mean the Delaware Transportation Authority Senior Bonds Redemption Account, a trust fund created and designated by the provisions of Section 4.01 of this Agreement.

"series" shall mean all Bonds issued pursuant to a single Supplemental Agreement and Bonds issued in substitution for such Bonds pursuant to this Agreement. If Junior Bonds and Senior Bonds are issued pursuant to the same Supplemental Agreement, the Junior Bonds shall constitute one series and the Senior Bonds a separate series.

"Short-Term Rate" shall mean a Variable Rate or a Commercial Paper Rate.

"Sinking Fund Payment" shall mean a payment required to be made to the Senior Bonds Redemption Account, or the Junior Bonds Redemption Account to pay the principal portion of any term Bond.

"Stabilization Fund" shall mean the Delaware Transportation Authority Debt Service Stabilization Fund, a trust

fund created and designated by the provisions of Section 4.01 of this Agreement.

"State" shall mean The State of Delaware.

"Subordinate Indebtedness" shall have the meaning given that term in Section 2.11 of this Agreement and shall, by its terms, be subordinate in right of payment to Senior Bonds and Junior Bonds.

"Supplemental Agreement" shall mean any agreement of the Authority modifying, altering, amending, supplementing or confirming this Agreement for any purpose, in accordance with the terms hereof.

"Tender Agent" shall mean the agent appointed in accordance with a Supplemental Agreement to accept the tender of Bonds, as determined by such Supplemental Agreement.

"Test Revenues" shall have the meaning given that term in Section 2.07(b)(i) of this Agreement.

"Traffic Consultants" shall mean a firm or corporation having a nationwide and favorable repute for skill and experience in making estimates of vehicular traffic, turnpike earnings, fees and taxes related to motor vehicle use and/or other transportation related matters with respect to which the Traffic Consultants are providing projections, estimates or other advice and counsel described in this Agreement.

"Transportation Trust Fund" shall mean the Transportation Trust Fund, created and designated pursuant to the provisions of the Act.

"Trust Estate" shall mean at any particular time all right, title and interest of the Trustee in and to this Agreement (except any rights of the Authority to receive notices, certificates, requests, requisitions and other communications hereunder), including without limitation the Receipts and Revenues of the Authority, any Credit Facility (excluding the rights to make drawings thereunder with respect to the payment or purchase of Bonds and proceeds of such drawings), the Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Stabilization Fund (but not the Operating Fund and the Operating Reserve Fund) and the Capital Fund (and Funds created in those Funds) and all moneys and investments from time to time on deposit therein (excluding, however, any moneys or investments held in the Rebate Account), any and all other moneys and obligations (other than Bonds) which at such time are deposited or are required to be deposited with, or are held or are required to be held by or on behalf of, the Trustee, the Paying Agent or

any Co-Paying Agent in trust under any of the provisions of this Agreement and all other rights, titles and interests which at such time are subject to the lien of this Agreement; provided, however, that in no event shall there be included in the Trust Estate (a) moneys or obligations deposited with or paid to the Trustee for the redemption or payment of Bonds which are deemed to have been paid in accordance with Article VIII hereof or moneys held pursuant to Sections 4.10 and 7.22 hereof or (b) except as herein expressly provided, any moneys held by the Tender Agent or any other person for the purchase of Bonds or for payment of Bonds held or to be held by it pursuant to a draw under a Credit Facility; provided, further, however that advances or drawings under a Credit Facility may be subject to a lien under this Agreement in favor of holders of less than all of the Bonds Outstanding, as provided in any Supplemental Agreement and the lien of the holders of Junior Bonds shall be subordinate and subject in right of payment, to the extent and in the manner hereinafter set forth, to the prior payment of all Senior Bonds but prior to the rights of holders of Senior Bonds with respect to the Junior Bonds Priority Funds.

"Trustee; Principal Office thereof" "Trustee" shall mean WTC not in its individual capacity, but solely as trustee under this Agreement, its successors in trust and their assigns. "Principal Office" of the Trustee shall mean the principal office of the Trustee, which office at the date of acceptance by the Trustee of the duties and obligations imposed on the Trustee by this Agreement is located at the address specified in Section 13.08 hereof. If there shall be at any one time more than one Trustee hereunder, the term Trustee shall mean each such Trustee and shall apply to each such Trustee only with respect to those Bonds with respect to which it is serving as Trustee.

"Turnpike Account" shall mean the Delaware Transportation Authority Turnpike Account created and designated by the provisions of Section 5.01 of this Agreement.

"Turnpike Operating Expenses" shall mean the Authority's reasonable and necessary current expenses of operating, maintaining and repairing the Delaware Turnpike and shall include, without limiting the generality of the foregoing, all ordinary and usual expenses of operation, maintenance and repair, which may include extraordinary operating, maintenance and repair expenses not annually recurring, ordinary and usual costs of equipment acquisition, premiums for insurance, fees and expenses of any Credit Facility, all administrative and engineering expenses relating to operation, maintenance and repair of the Delaware Turnpike (excluding administrative expenses of the Authority paid by the State, if any), legal expenses, advertising expenses, any taxes or assessments lawfully levied on the Delaware Turnpike, any payments to pension or retirement funds, any payments required to be made by the

Authority under any interest rate exchange agreement entered into by the Authority, any other expenses required or permitted to be paid by the Authority under the provisions of this Agreement or by law including any expenses incurred by the Authority for any of the foregoing purposes.

"Variable Rate" shall mean an interest rate on a Bond that varies from period to period during the term of the Bond, which may or may not be subject to a put, and which may include an interest rate fixed for a period of time less than the term of the Bond, all as determined pursuant to a Supplemental Agreement.

SECTION 1.02. Miscellaneous. Except as otherwise expressly provided in this Agreement or unless the context clearly requires otherwise: (a) the words "herein", "hereof", "hereunder" and "herewith" and other words of similar import refer to this Agreement as a whole; (b) terms defined in Article I include the plural as well as the singular of those terms, whether or not specifically defined as such; and (c) words in the masculine gender shall include correlative words of the feminine and neuter gender.

ARTICLE II

The Bonds

SECTION 2.01. Creation of Bonds. Bonds are hereby authorized to be created and issued under this Agreement, for the purpose of providing moneys to pay all or a part of the Cost of Projects, to refund, in whole or in part, bonds of the Authority issued under Chapter 13, Title 2, Delaware Code, as amended, to refund, in whole or in part, Bonds, to provide money for deposit to the Funds created under this Agreement and to pay costs associated with the issuance of Bonds. All Bonds shall be entitled to the benefit, protection and security of this Agreement. Each of the Bonds shall be designated by the title "Delaware Transportation Authority", shall refer to a series, shall be either Senior Bonds or Junior Bonds and may have other identifying features. The Bonds shall be issued from time to time, and shall mature, subject to prior redemption upon the terms and conditions hereinafter permitted and as set forth in Supplemental Agreements of the Authority.

SECTION 2.02. Interest on the Bonds. The Bonds may bear interest as provided in the Bonds at a Short-Term or a Long-Term Rate and as provided in the applicable Supplemental Agreement. When the Bonds bear interest at a Short-Term Rate, interest will be computed as provided in the Supplemental Agreement providing for the issuance of such Bonds, and when the Bonds bear interest at a Long-Term Rate, interest will be computed on the basis of a 360-day year of twelve 30-day months.

The rate of interest on a Bond while there exists an Event of Default of which the Trustee has notice within the meaning of Section 10.05 hereof shall be determined by the applicable Supplemental Agreement.

SECTION 2.03. Forms of Bonds. Bonds shall be authenticated and delivered hereunder solely as fully registered Bonds without coupons in the denomination, numbered and dated as provided in the applicable Supplemental Agreement.

Principal of and premium, if any, on Bonds shall be payable to the holders of such Bonds upon presentation and surrender of such Bonds at the Principal Office of the Paying Agent or any Co-Paying Agent. Interest on Bonds shall be paid by check drawn upon the Paying Agent and mailed to the holders of such Bonds by the close of business on the Interest Payment Date at the addresses of such holders as they shall appear as of the close of business on the Record Date on the registration books maintained pursuant to Section 2.10 hereof notwithstanding the cancellation of any such Bond upon any exchange or registration of transfer subsequent to such Record Date, except that if and to the extent that there should be a default on the payment of interest on any Bond, such defaulted interest shall be paid to the holders in whose name such Bond (or any Bond or Bonds issued upon any exchange or registration of transfer thereof) is registered as of the close of business on a date selected by the Trustee in its discretion, but not more than 15 days nor less than 10 days prior to the date of payment to the holders of such Bonds of such defaulted interest. Payment of defaulted interest on Bonds bearing interest at the Short-Term Rate shall be governed by the applicable Supplemental Agreement. Notwithstanding the foregoing, upon request to the Paying Agent by a holder of not less than \$1,000,000 in aggregate principal amount of Bonds bearing interest at a Short-Term Rate, unless otherwise provided in a Supplemental Agreement, interest on such Bonds and, after a presentation and surrender of such Bonds, the principal or purchase price thereof shall be paid to such holder by wire transfer to the account maintained within the continental United States specified by such holder. Payment as aforesaid shall be made in such coin or currency of the United States as, at the respective times of payment, shall be legal tender for the payment of public and private debts.

The Bonds, other than Bonds bearing interest at a Short-Term Rate, the form for ordinary registration of transfer to appear thereon, and the form of certificate of authentication to appear on all the Bonds are to be in substantially the forms thereof set forth in Exhibits A (Senior Bonds), B (Junior Bonds), C and D, hereto, respectively, with necessary or appropriate variations, omissions and insertions as permitted or required by this Agreement. The form of Bonds bearing interest at a Short-

Term Rate shall be determined by the applicable Supplemental Agreement subject to the terms of this Agreement.

SECTION 2.04. Execution of Bonds. The Bonds shall be executed on behalf of the Authority by the Secretary and shall have affixed, impressed or reproduced thereon the official seal of the Authority which shall be attested by the Director. Each of the foregoing officers may execute or cause to be executed the Bonds with a facsimile signature in lieu of his manual signature.

In case the person whose signature or a facsimile of whose signature shall appear on the Bonds as the Secretary or the Director shall cease to hold such position before the authentication by the Trustee or a duly authorized authenticating agent and delivery of such Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery; and any Bond may be signed on behalf of the Authority by such persons as, at the time of execution of such Bond, shall be the proper officers of the Department or the Authority, as the case may be, even though at the date of such Bond or of the execution and delivery of this Agreement any such person was not such officer.

SECTION 2.05. Authentication of Bonds. Only such Bonds as shall have endorsed thereon a certificate of authentication substantially in the form set forth in Exhibit D hereto duly executed by the Trustee or its duly authorized authenticating agent shall be entitled to any right or benefit under this Agreement. No Bond shall be valid or obligatory for any purpose unless and until such certificate of authentication shall have been duly executed by the Trustee or such agent, and such executed certificate of the Trustee upon any such Bonds shall be conclusive evidence that such Bond has been authenticated and delivered under this Agreement. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed with an authorized signature of the Trustee or such agent, but it shall not be necessary that the same person sign the certificate of authentication on all of the Bonds issued hereunder.

SECTION 2.06. Security for the Bonds. The Bonds and the interest and premium, if any, thereon shall be limited obligations of the Authority payable solely from the Trust Estate. The Bonds shall not be deemed to constitute a general obligation of the Authority nor a debt or general obligation of the State or of any political subdivision or any agency thereof or a pledge of the faith and credit of the Authority or a pledge of the faith and credit or the taxing power of the State or of any such political subdivision or of any such agency (the Authority has no taxing power). Each Bond shall contain on the face thereof a statement to the effect that the Authority shall

not be obligated to pay the Bonds or the premium, if any, or interest thereon except from the Receipts and Revenues of the Authority pledged under this Agreement to such Bonds, that the Authority shall not be obligated to pay the purchase price of the Bonds from any source and that neither the faith and credit nor the taxing power of the State or any political subdivision or any agency thereof is pledged to the payment of the principal of or premium, if any, or interest on the Bonds or of the purchase price of the Bonds.

Section 2.07. Additional Bonds Coverage Tests. No Bonds shall be issued under this Agreement (other than \$66,505,000 Delaware Transportation Authority Transportation System Senior Revenue Bonds, 1988 Series and \$152,100,000 Delaware Transportation Authority Transportation System Junior Revenue Bonds, 1988 Series) (the "Initial Bonds") unless the Director certifies in a certificate of the Director in the form described in subsection (b) of this Section showing that the Authority has met the tests described in subsection (b)(i) or (b)(ii) of this Section or in the case of the refunding of any Bonds or Prior Bonds (other than a refunding of Prior Bonds with bonds issued under the Prior Trust Agreement) a certificate of the Director in the form described in subsection (c) of this Section showing that the Authority has met the tests described in that subsection.

(a) As the basis for showing that the Authority has met the test chosen to allow the issuance of Bonds, the Director shall execute and deliver to the Trustee a certificate setting forth such of the following amounts as are necessary to support a certificate required by subsection b(i) or b(ii) below, as the case may be:

(i) the amount of Delaware Turnpike Revenues for any twelve consecutive months (reflecting any adjustments in toll rates that have been put into effect as if the toll rates had been effective since the beginning of that period) out of the fifteen months completed immediately preceding the date of the Bonds to be issued (which date shall not be more than ninety days preceding the date of issuance of the Bonds);

(ii) the Delaware Turnpike Revenues to be received during the current and next five (5) complete Fiscal Years following the anticipated delivery of the Bonds then requested to be issued, equal in each Fiscal Year to the Revenues and Receipts derived from the Delaware Turnpike during the twelve-month period utilized in (i) above (reflecting any adjustments in toll rates that have been put into effect for any future Fiscal Year from the date such increase is to be in effect);

(iii) (A) the amount of the Motor Fuel Tax Revenues deposited in the "Revenue Fund" under the Prior Trust Agreement for the same twelve-month period utilized in (i) above (reflecting any adjustment in motor fuel tax rates enacted into law as if the same had been effective since the beginning of such period) less the maximum aggregate sum of the "Principal and Interest Requirements" for the Prior Bonds "Outstanding" payable in any Fiscal Year and any money determined to be necessary to be deposited to a debt service reserve fund under the Prior Trust Agreement, as determined by the Authority; or (B) at such time as the Prior Bonds are no longer "Outstanding" (as defined in the Prior Trust Agreement) the amount of Motor Fuel Tax Revenues deposited in the Revenue Account for the same twelve-month period utilized in (i) above (reflecting any adjustment in motor fuel tax rates enacted into law as if the same had been effective since the beginning of such period);

(iv) the amount of Motor Fuel Tax Revenues to be received by the Authority during the current and the next five (5) complete Fiscal Years following the anticipated delivery of the Bonds equal in each Fiscal Year to the Motor Fuel Tax Revenues received during the twelve-month period utilized in (i) above (reflecting any adjustment in the rate of motor fuel taxes enacted into law for any future Fiscal Year from the date such increase is to be in effect); less in each of the above Fiscal Years through the fourth such Fiscal Year, the aggregate of the "Principal and Interest Requirements" for the Prior Bonds "Outstanding" payable in each such Fiscal Year and in each such Fiscal Year any money determined to be necessary to be deposited to a debt service reserve fund under the Prior Trust Agreement and in the fifth such Fiscal Year, the maximum aggregate "Principal and Interest Requirements" for the Prior Bonds scheduled to be "Outstanding" in any Fiscal Year subsequent to the fourth such Fiscal Year and in such Fiscal Year any money determined to be necessary to be deposited to a debt service reserve fund under the Prior Trust Agreement as determined by the Authority;

(v) the amount of Document Fees for the same twelve-month period utilized in (i) above (reflecting any adjustment in the rate of Document Fees enacted into law as if the same had been effective since the beginning of such period);

(vi) the amount of Document Fees to be received by the Authority during the current and the next five (5) complete Fiscal Years following the anticipated issuance of the Bonds equal in each Fiscal Year to the Document Fees received during the twelve-month period utilized in (i) above (reflecting any adjustment in the rate of Document Fees enacted into law for any future Fiscal Years from the date such increase is to be in effect);

(vii) the amount of Additional Revenues for the same twelve-month period utilized in (i) above (increased by any adjustment in the rate of Additional Revenues enacted into law as if the same had been effective since the beginning of such period); provided that any such Additional Revenues are being received on the date of any such determination;

(viii) the amount of Additional Revenues to be received by the Authority during the current and the next five (5) complete Fiscal Years following the anticipated delivery of the Bonds equal in each Fiscal Year to such Additional Revenue that would have been received by the State or another person during the twelve-month period utilized in (i) above at the rate currently in effect (reflecting any adjustment in the rate of Additional Revenues enacted into law for any future Fiscal Years from the date such increase is to be in effect) based on a Traffic Consultant's report.

(ix) (A) the Principal and Interest Requirements for Outstanding Senior Bonds for each Fiscal Year such Senior Bonds are scheduled to be Outstanding assuming scheduled repayment and redemption of such Senior Bonds; and (B) the Principal and Interest Requirements for the Senior Bonds proposed to be issued, for each Fiscal Year such proposed Senior Bonds are scheduled to be Outstanding, assuming scheduled repayment and redemption of such Senior Bonds; deducting from the applicable interest portion, in both the determination made in (A) and (B) above, the sum of the proceeds of Senior Bonds issued or to be issued, as the case may be, to meet the interest requirements on Senior Bonds for any Fiscal Years, as determined by the Authority;

(x) (A) the Principal and Interest Requirements for Outstanding Junior Bonds for each Fiscal Year such Junior Bonds are scheduled to be Outstanding assuming scheduled repayment and redemption of such Junior Bonds; and (B) the Principal and Interest Requirements for the Junior Bonds proposed to be issued for each Fiscal Year such proposed Junior Bonds are scheduled to

be Outstanding assuming scheduled repayment and redemption of such Junior Bonds; deducting from the applicable interest portion, in both the determination made in (A) and (B) above, the sum of the proceeds of Junior Bonds issued or to be issued, as the case may be, to meet interest requirements on Junior Bonds for any Fiscal Years, as determined by the Authority;

For purposes of making the foregoing determinations with respect to any applicable twelve-month period that is not coincidental with a Fiscal Year, the person making the required determination may assume that for each month of a Fiscal Year falling in such twelve-month period with respect to revenues in any such Fiscal Year, that the applicable revenues received by the Authority in each month in such Fiscal Year shall be deemed to have been received in an amount equal to one-twelfth of the aggregate of any such revenues received in such Fiscal Year.

(b) No Bonds shall be issued under this Agreement (other than the Initial Bonds and Bonds meeting the requirements of (c) below) unless the tests in (i) (A) and (B) or (ii) (A) and (B) are met, in the case of the issuance of Senior Bonds, and the test shown in (i)(B) or (ii)(B) is met in the case of issuance of Junior Bonds, as shown by a certificate of the Director delivered to the Trustee:

(i) the aggregate amount of Delaware Turnpike Revenues, Motor Fuel Tax Revenues, Document Fees and Additional Revenues all as calculated pursuant to subsections (a)(i), (a)(iii), (a)(v) and (a)(vii) of this Section, respectively, for the twelve-month period utilized in subsection (a)(i) of this section (the "Test Revenues") equals or exceeds (A) ^{2.00} 1.75 times the maximum Principal and Interest Requirements for the Senior Bonds Outstanding at the end of such twelve-month period and the Senior Bonds proposed to be issued, for any Fiscal Year following the date of calculation (excluding, however, the Principal and Interest Requirements on any Senior Bonds to be refunded); and (B) in the case of all Junior Bonds Outstanding at the end of such twelve-month period and the Junior Bonds then proposed to be issued 3.00 times the maximum Principal and Interest Requirements for such Junior Bonds Outstanding and the Junior Bonds proposed to be issued, for any Fiscal Year following the date of calculation (excluding, however, the Principal and Interest Requirements on any Junior Bonds to be refunded) after subtracting from the Test Revenues the maximum Principal and Interest Requirements for Senior Bonds,

or

(ii) the aggregate amount of Delaware Turnpike Revenues, Motor Fuel Tax Revenues, Document Fees and Additional Revenues as calculated pursuant to subsections (a)(ii), (a)(iv), (a)(vi) and (a)(viii) of this Section, respectively, equals or exceeds (A) in the case of all Senior Bonds scheduled to be Outstanding during the period utilized in subsection (a)(ii) and the Senior Bonds requested to be issued, assuming solely for purposes of this calculation that in the fifth and last Fiscal Year of such period the Principal and Interest Requirements for all such Senior Bonds shall be the maximum Principal and Interest Requirements payable in any Fiscal Year thereafter if any such Fiscal Year Principal and Interest Requirements exceed the scheduled Principal and Interest Requirements for such fifth Fiscal Year, 1.75 times the Principal and Interest Requirements for all such Senior Bonds in each such Fiscal Year (excluding, however, the Principal and Interest Requirements on any Senior Bonds to be refunded) and (B) in the case of all Junior Bonds scheduled to be Outstanding during the foregoing period and the Junior Bonds requested to be issued, assuming solely for purposes of this calculation that in the fifth and last Fiscal Year of such period the Principal and Interest Requirements for all such Junior Bonds shall be the maximum Principal and Interest Requirements payable in any Fiscal Year thereafter if the Principal and Interest Requirements for any such Fiscal Year exceed the scheduled Principal and Interest Requirements for such fifth Fiscal Year, less the amounts necessary to meet Principal and Interest Requirements on Senior Bonds in each such Fiscal Year (assuming that in the fifth Fiscal Year, the maximum Principal and Interest Requirement for the fifth Fiscal Year or any year thereafter is paid in the fifth Fiscal Year) 3.00 times the Principal and Interest Requirements payable in each such Fiscal Year (excluding, however, the Principal and Interest Requirements on any Senior Bonds to be refunded).

(c) In case of any refunding of any Senior Bonds with the proceeds of Senior Bonds or the refunding of Senior Bonds or Junior Bonds with the proceeds of Junior Bonds, in lieu of the foregoing certificate described in subsection (b) of this Section, a certificate, signed by the Director showing a comparison of the Principal and Interest Requirements for the Bonds to be refunded and the Principal and Interest Requirements for the Bonds to be issued. No such Bonds shall be issued by virtue of this subsection to refund any such Bonds unless the certificate shows that the maximum Principal and Interest

Requirements for the refunding Bonds is less than the maximum Principal and Interest Requirements for the Bonds to be refunded.

(d) Additional Revenues may only be taken into account for purposes of determining the amount of Bonds that may be issued under subsection (b) above provided that (i) a Supplemental Agreement is duly adopted by the Authority providing for the pledge under this Agreement of Additional Revenues to the Trustee for the benefit of holders of Bonds; (ii) Bond Counsel shall have rendered a written opinion to the Authority to the effect that such pledge is valid and binding on the Authority and any pledge or assignment of such Additional Revenues to the Authority by the State is valid; (iii) the State or the Authority, as the case may be, shall have covenanted not to repeal, reduce or adversely alter such Additional Revenues below rates at the time of such pledge and assignment; (iv) all approvals and authorizations necessary to effect such pledge and assignment have been obtained; and (v) the Supplemental Agreement evidencing the pledge of Additional Revenues shall incorporate all the covenants, terms and conditions contained in this Agreement.

SECTION 2.08. Prerequisites to Authentication of Bonds. The Authority shall execute and deliver to the Trustee and the Trustee shall authenticate Bonds authorized to be issued by a Supplemental Agreement and deliver said Bonds to the initial purchaser thereof as may be directed hereinafter in this Section 2.08.

Prior to the delivery by the Trustee of any authenticated Bonds, to or for the account of the purchasers, there shall be or have been delivered to the Trustee:

- (a) a duly executed counterpart of the Supplemental Agreement fixing the terms and authorizing the issuance of the Bonds and, among other things, making necessary provisions for the redemption and/or refunding of Bonds to be redeemed and/or refunded, if any;
- (b) any Credit Facility required to be obtained in connection with the issuance of the Bonds;
- (c) a request and authorization to the Trustee on behalf of the Authority, signed by the Director, to authenticate and deliver the Bonds, in the aggregate principal amount determined by the applicable Supplemental Agreement, to the purchaser identified in the request upon payment to the Trustee, but for the account of the Authority, of a sum specified in such request and authorization plus any accrued interest on such

Bonds to the date of delivery and directing the Trustee to disburse or deposit the proceeds of Bonds in the manner set forth in that certificate;

- (d) an opinion of Bond Counsel or Counsel to the Authority stating that (i) the form and terms of the Bonds have been established in conformity with the provisions of the Supplemental Agreement; (ii) the Authority has the necessary power to issue the Bonds and has taken all necessary action with respect to such issuance; (iii) the Bonds, when issued by the Authority and authenticated and delivered by the Trustee will constitute legal, valid and binding obligations of the Authority enforceable in accordance with their terms subject to laws relating to the enforcement of creditors' rights and general equitable principles; and (iv) the issuance of the Bonds will not violate the terms of the Act, the Agreement, the Supplemental Agreement or any other agreement known to such Counsel by which the Authority is bound;
- (e) a certificate dated the date of authentication of such Bonds and executed by the Director, certifying that (i) all conditions precedent to the issuance of the Bonds have been complied with; (ii) the Authority is not then in default in the performance of any of the covenants, contained in this Agreement; provided, however, that if the Bonds to be issued are Bonds to refund all or a portion of the Bonds then Outstanding or the Prior Bonds, a certificate similarly executed and dated, certifying which if any covenants, the Authority is concurrently breaching, and the manner in which the Authority will attempt to comply with any such covenant in the future; and (iii) the issuance of the Bonds will not result in an Event of Default or an event or condition which, upon the giving of notice or the lapse of time, or both, would become an Event of Default.

Upon receipt of the foregoing documents, the Trustee shall deliver the authenticated Bonds to the purchasers against payment of the purchase price of the Bonds. The proceeds (excluding accrued interest) of such Bonds shall be deposited with the Trustee to the credit of the Funds as provided in such Supplemental Agreement; provided, however, that (a) the Trustee shall deduct from such proceeds and deposit to the credit of the appropriate account in the Debt Service Reserve Fund such amount, if any, as may be required to make the amount then to the credit of the appropriate account in the Debt Service Reserve Fund equal

to the Senior Bonds Debt Service Reserve Account Requirement and/or the Junior Bonds Debt Service Reserve Account Requirement, as the case may be; (b) the Trustee shall deduct from such proceeds and deposit to the credit of the Stabilization Fund such amount, if any, as may be required by a Supplemental Agreement unless the Authority certifies to the Trustee that the Annual Budget has made provision for the amount required to be deposited in the current Fiscal Year and that such amount shall be available in amounts and at the times required by such Supplemental Agreement.

SECTION 2.09. Lost, Destroyed or Improperly Cancelled Bonds. If any Bond, whether in temporary or definitive form, is lost (whether by reason of theft or otherwise), destroyed (whether by mutilation, damage, in whole or in part, or otherwise) or improperly cancelled, the Authority may execute and the Trustee may authenticate a new Bond of like date and denomination and bearing a number not contemporaneously outstanding; provided that, (a) in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and (b) in the case of any lost Bond or Bond destroyed in whole, there shall be first furnished to the Authority, the Trustee and the Registrar evidence of such loss or destruction, together with indemnity, satisfactory to them. In the event any lost, destroyed or improperly cancelled Bond shall have matured or is about to mature, or has been called for redemption, instead of delivering a duplicate Bond the Authority may, in its discretion, pay the same without surrender thereof if there shall be first furnished to the Authority and the Trustee evidence of such loss, destruction or cancellation, together with indemnity, satisfactory to them. Upon the delivery of any substitute Bond, the Authority and the Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto. The Trustee may charge the holder of any such Bond the Trustee's reasonable fees and expenses in connection with any transaction described in this Section 2.09.

Every substitute Bond delivered pursuant to the provisions of this Section 2.09 by virtue of the fact that any Bond is lost, destroyed or improperly cancelled shall constitute an additional contractual obligation of the Authority, whether or not the lost, destroyed or improperly cancelled Bond shall be at any time enforceable, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Senior Bonds or Junior Bonds, as the case may be, duly issued hereunder except as otherwise provided herein or in any Supplemental Agreement. All Bonds shall be owned upon the express condition that, to the extent permitted by law, the foregoing provisions are exclusive with respect to the replacement or payment of lost, destroyed or improperly cancelled

Bonds, notwithstanding any law or statute now existing or hereafter enacted.

SECTION 2.10. Transfer, Registration and Exchange of Bonds. The Registrar shall maintain and keep, at its Principal Office, books for the registration and registration of transfer of Bonds, which, at all reasonable times, shall be open for inspection by the Authority and the Trustee; and, upon presentation for such purpose of any Bond entitled to registration or registration of transfer at the Principal Office of the Registrar, the Registrar shall register or register the transfer in such books, under such reasonable regulations as the Registrar may prescribe. The Registrar shall make all necessary provisions to permit the exchange or registration of transfer of Bonds at its Principal Office.

The transfer of any Bond shall be registered upon the registration books of the Registrar at the written request of the holder thereof or his attorney duly authorized in writing, upon surrender thereof at the Principal Office of the Registrar, together with a written instrument of transfer satisfactory to the Registrar duly executed by the holder or his duly authorized attorney. Upon the registration of transfer of any such Bond or Bonds, the Authority shall deliver, in authorized denominations, a new Bond or Bonds in the name of the transferee and in the same aggregate principal amount as the surrendered Bond or Bonds.

The Authority, the Trustee, the Paying Agent, any Co-Paying Agent and the Registrar may deem and treat the holder of any Bond as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and premium, if any, and, except as provided in Section 2.03 hereof, interest on, or the purchase price of, such Bond and for all other purposes, and neither the Authority, the Trustee, the Tender Agent, the Paying Agent, any Co-Paying Agent nor the Remarketing Agent shall be affected by any notice to the contrary. All such payments so made to any such holder or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Bonds, upon surrender thereof at the Principal Office of the Registrar may, at the option of the holder thereof, be exchanged for an equal aggregate principal amount of Bonds of any authorized denomination, bearing interest at the same rate for the same period.

In all cases in which the privilege of exchanging Bonds or registering the transfer of Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Agreement. For every such exchange or registration of transfer of Bonds, whether

temporary or definitive, the Authority, the Registrar, or the Trustee may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, which sum or sums shall be paid by the person requesting such exchange or registration of transfer as a condition precedent to the exercise of the privilege of making such exchange or registration of transfer. Except in connection with the put of Bonds pursuant to their terms and the delivery thereof to a Remarketing Agent or Tender Agent or other similar agent for the tender of Bonds, the Registrar shall not be obligated (a) to make any such exchange or registration of transfer of Bonds during the fifteen (15) days next preceding the first date on which notice of any proposed redemption of Bonds is given or (b) to make any exchange or registration of transfer of any Bonds called for redemption.

SECTION 2.11. Other Obligations. The Authority expressly reserves the right to issue, to the extent permitted by law, but shall not be obligated to issue, obligations under another agreement or agreements to provide additional funds to pay the Cost of Projects or to refund all or any principal amount of the Bonds, the Prior Bonds, or any combination thereof secured by receipts and revenues of the Authority not pledged to the Trustee pursuant to the terms of this Agreement. The Authority may also issue obligations for such purpose, on a basis subordinate to the lien of the holders of Bonds, in Receipts and Revenues of the Authority ("Subordinate Indebtedness"). Subordinate Indebtedness shall not be subject to the provisions of Section 2.07 of this Agreement, however the rights of holders of any Subordinate Indebtedness shall be limited as follows:

(i) In the event of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization or other similar proceedings in connection therewith, relative to the Authority or to its property, and in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the Authority, whether or not involving insolvency or bankruptcy, and following notice to the Trustee of the happening of any such event, the holders of all Bonds then Outstanding shall be entitled to receive payment in full of all principal and interest on all such Bonds before the holders of the Subordinate Indebtedness are entitled to receive any payment from the Trust Estate on account of principal (and premium, if any) or interest upon any Subordinate Indebtedness;

(ii) In the event that any Subordinate Indebtedness is declared due and payable by the Trustee before its expressed maturity because of the occurrence of an "event of default", as defined in the applicable Supplemental Agreement (under circumstances when the provisions of paragraph (i) above shall not be applicable), the holders of all Bonds then

Outstanding at the time any Subordinate Indebtedness so becomes due and payable because of such occurrence of any such "event of default" shall be entitled to receive payment in full of all principal and interest on all such Bonds before the holders of any Subordinate Indebtedness are entitled to receive any payment from the Trust Estate of principal (and premium, if any) or interest upon Subordinate Indebtedness;

(iii) If any Event of Default shall have occurred and be continuing (under circumstances when the provisions of paragraph (i) or (ii) above shall not be applicable), and the Trustee attempts to remedy the Event of Default by accelerating the payment of Senior Bonds and/or Junior Bonds, or there is an Event of Default resulting from the failure in payment of Principal and Interest Requirements on any Bond, the holders of all Bonds then Outstanding shall be entitled to receive payment in full of all principal and interest on all such Bonds before the holders of any Subordinate Indebtedness are entitled to receive any payment from the Trust Estate of principal (and premium, if any) or interest upon the Subordinate Indebtedness;

(iv) No holder of Bonds shall be prejudiced in his right to enforce subordination of Subordinate Indebtedness by any act or failure to act on the part of the Authority;

(v) The provisions of paragraphs (i), (ii), (iii) and (iv) above are solely for the purpose of defining the relative rights of the holders of the Bonds on the one hand, and the holders of Subordinate Indebtedness, on the other hand, and no provision of this Agreement shall impair, as between the Authority and the holders of any Subordinate Indebtedness, the obligation of the Authority, which may be unconditional and absolute, to pay to the holders of any Subordinate Indebtedness the principal thereof and premium, if any, and interest thereon in accordance with its terms; no provision of this Agreement shall prevent the holders of any Subordinate Indebtedness from exercising all remedies otherwise permitted by applicable law or under this Agreement upon any default under this Agreement, subject to the rights under paragraphs (i), (ii), (iii) and (iv) above of the holders of Bonds to receive cash, property or securities otherwise payable or deliverable to the holders of any Subordinate Indebtedness; and no provision of this Agreement shall prevent the application by the holder of any Subordinate Indebtedness of any moneys deposited with any such holder for the purpose of the payment of or on account of the principal (and premium, if any) or interest on any Subordinate Indebtedness if such holder did not have knowledge at the time of such application that such payment was prohibited by the foregoing provisions;

(vi) Subject to the payment of the Bonds provided in the foregoing provisions, the holders of any Subordinate Indebtedness shall be subrogated to the rights of the holders of the Bonds to receive payments or distributions of cash, property or securities of the Authority applicable to the Bonds until all amounts owing on any Subordinate Indebtedness shall be paid in full and, as between the Authority, on the one hand, and the holders of any Subordinate Indebtedness on the other hand, no such payment or distribution made to the holders of Bonds by virtue of this Section which otherwise would have been made to the holders of Subordinate Indebtedness shall be deemed to be a payment by the Authority on account of the Bonds, it being understood that the provisions of this Section are intended solely for the purpose of defining the relative rights of the holders of the Bonds, on the one hand, and the holders of any Subordinate Indebtedness, on the other hand.

The terms, form and content of Subordinate Indebtedness shall be determined by the applicable Supplemental Agreement, subject to the terms of this Agreement.

SECTION 2.12. Temporary Bonds. Pending the preparation of definitive Bonds, the Authority may execute and the Trustee shall authenticate and deliver temporary Bonds. Temporary Bonds shall be issuable as registered Bonds without coupons, of any authorized denomination, and substantially in the form of the definitive Bonds but with such omissions, insertions and variations as may be appropriate for temporary Bonds, all as may be determined by the Authority. Temporary Bonds may contain such reference to any provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the Authority and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Bonds. As promptly as practicable the Authority shall execute and shall furnish definitive registered Bonds without coupons and thereupon temporary Bonds may be surrendered in exchange therefor without charge at the Principal Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds a like aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged the temporary Bonds shall be entitled to the same benefits under this Agreement as definitive Bonds.

SECTION 2.13. Cancellation of Bonds. All Bonds which shall have been surrendered to the Paying Agent or any Co-Paying Agent for payment or redemption, and all Bonds which shall have been surrendered to the Registrar for exchange or registration of transfer, shall be delivered to the Trustee for cancellation. All Bonds delivered to or acquired by the Trustee for cancellation shall be cancelled and destroyed by the Trustee.

The Trustee shall furnish to the Authority, the Paying Agent and the Registrar counterparts of certificates evidencing such cancellation and destruction and specifying such Bonds by number.

SECTION 2.14. Payment of Principal and Interest. For the payment of interest on the Bonds, the Authority shall cause to be deposited in the Debt Service Fund, on each Interest Payment Date, solely out of the Receipts and Revenues of the Authority and other moneys deposited with the Trustee under this Agreement, an amount sufficient to pay the interest to become due on such Interest Payment Date. The obligation of the Authority to cause any such deposit to be made hereunder shall be reduced by the amount of moneys in the Debt Service Fund available on such Interest Payment Date for the payment of interest on the Bonds.

For the payment of the principal of the Bonds upon maturity or on any date on which the Authority is required to make a Sinking Fund Payment, the Authority shall cause to be deposited in the Debt Service Fund, on the stated or accelerated date of maturity or on any date on which the Authority is required to make a Sinking Fund Payment, solely out of the Receipts and Revenues of the Authority and other moneys deposited with the Trustee under this Agreement, an amount sufficient to pay the principal of the Bonds. The obligation of the Authority to cause any such deposit to be made hereunder shall be reduced by the amount of moneys in the Debt Service Fund available on the maturity date or on any date on which the Authority is required to make a Sinking Fund Payment, for the payment of the principal of the Bonds.

ARTICLE III

Redemption of Bonds

SECTION 3.01. Redemption Provisions. The Bonds of any series shall be subject to optional and mandatory redemption by the Authority, in whole or in part, on the terms and conditions set forth in such Bonds, the applicable Supplemental Agreement and this Agreement.

SECTION 3.02. Selection of Bonds to Be Redeemed. A redemption of Bonds shall be a redemption of the whole or of any part of the Bonds from any funds available for that purpose. If less than all the Bonds of a series shall be called for redemption under any provision of this Agreement permitting such partial redemption, the particular Bonds or portions of Bonds of such series to be redeemed shall be selected by the Authority, in such manner as the Authority in its discretion may deem proper, in the principal amount designated by the Authority or otherwise as required by this Agreement; provided, however, that if, as

indicated in a certificate of an Authorized Authority Representative delivered to the Trustee, the Authority shall have offered to purchase all Bonds then Outstanding and less than all such Bonds have been tendered to the Authority for such purchase, the Trustee, at the direction of an Authorized Authority Representative, shall select for redemption all such Bonds which shall not have been so tendered; and provided, further, that, if the redemption date shall not be with respect to Bonds bearing interest at the Long-Term Rate, the portion of any Bond to be redeemed shall be in the principal amount of an authorized denomination or some integral multiple thereof and that, in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$100,000; and provided, further, that if the redemption date shall be with respect to Bonds bearing interest at the Long-Term Rate, the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some integral multiple thereof and that, in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

For any redemption occurring with respect to Bonds bearing interest at the Long-Term Rate, if it is determined that one or more, but not all, of the \$5,000 units of principal amount represented by any such Bond is to be called for redemption, then, upon notice of intention to redeem such \$5,000 unit or units, the holder of such Bond shall forthwith surrender such Bond to the Paying Agent or any Co-Paying Agent for (a) payment to such holder of the redemption price (including the redemption premium, if any, and interest to the date fixed for redemption) of the \$5,000 unit or units of principal amount called for redemption and (b) delivery to such holder of a new Bond or Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of any such Bond. Bonds representing the unredeemed balance of the principal amount of any such Bond shall be delivered to the holder thereof, without charge therefor. The selection of Bonds for redemption bearing interest at a Short-Term Rate shall be governed by the applicable Supplemental Agreement.

SECTION 3.03. Procedure for Redemption. (a) In the event any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall (i) specify the Bonds to be redeemed, the redemption date, the redemption price, and the place or places where amounts due upon such redemption will be payable (which shall be the Principal Office of the Paying Agent or any Co-Paying Agent) and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portions of Bonds, so to be redeemed, (ii) state any condition to such redemption and (iii) state that on the redemption date, and

upon the satisfaction of any such condition, the Bonds or portions thereof to be redeemed shall cease to bear interest. Such notice may set forth any additional information relating to such redemption. With respect to any Bond bearing interest at a Long-Term Rate, such notice shall be given by Mail at least thirty (30) days but no more than sixty (60) days prior to the date fixed for redemption to the holders of Bonds to be redeemed; provided, however, that failure duly to give such notice by Mail, or any defect therein, shall not affect the validity of any proceedings for the redemption of Bonds as to which there shall have been no such failure or defect. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of Bonds so called for redemption at the place or places of payment, such Bonds shall be redeemed. The Supplemental Agreement pursuant to which Bonds are issued bearing a Short-Term Rate shall provide the terms for mailing notices of redemption and for related matters not covered by this Agreement.

(b) With respect to any notice of any event which requires the holders of the Bonds to put their Bonds in accordance with the mandatory put provisions in the form of Bonds shall be governed by the applicable Supplemental Agreement.

(c) With respect to any notice of redemption of Bonds in accordance with the applicable redemption provisions in the form of Bonds appearing as Exhibit A or B hereto, to be made when a Credit Facility is not in effect, unless, upon the giving of such notice, such Bonds shall be deemed to have been paid within the meaning of Article VIII hereof, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee at or prior to the opening of business on the date fixed for such redemption of moneys sufficient to pay the principal of and premium, if any, and interest on such Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Authority shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

(d) Any Bonds and portions of Bonds which have been duly selected for redemption and which are deemed to be paid in accordance with Article VIII hereof shall cease to bear interest on the specified redemption date.

SECTION 3.04. No Partial Redemption after Default.
Anything in this Agreement to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default

(other than an Event of Default described in Section 9.01(g) of this Agreement), there shall be no optional redemption of less than all of the Senior Bonds at the time Outstanding; nor any redemption of Junior Bonds (other than from Junior Bonds Priority Funds although no optional redemption with such funds shall be permitted) until all Senior Bonds have been redeemed; nor any redemption of Junior Bonds unless all Junior Bonds are redeemed.

SECTION 3.05. Payment of Redemption Price. For the redemption of any of the Bonds, the Authority shall cause to be deposited in the Senior Bonds Redemption Account and/or the Junior Bonds Redemption Account, as the case may be, on the redemption date, solely out of the Receipts and Revenues of the Authority pledged under this Agreement, or from other sources, an amount sufficient to pay the principal of and premium, if any, and interest to become due on such redemption date. The Trustee shall transfer to the Senior Bonds Redemption Account and/or the Junior Bonds Redemption Account, as the case may be, to the extent Receipts and Revenues of the Authority have been deposited in the Principal and Interest Account to pay any portion of the Bonds to be redeemed, the amount on deposit in such account for such purpose. The obligation of the Authority to cause any such deposit to be made hereunder shall be reduced by the amount of moneys in the Senior Bonds Redemption Account and/or the Junior Bonds Redemption Account, as the case may be, available on such redemption date for payment of the principal of and premium, if any, and accrued interest on the Bonds to be redeemed.

ARTICLE IV

The Receipts and Revenue Funds

SECTION 4.01. Creation of Funds. There is hereby created and established with the Trustee a trust fund designated "Delaware Transportation Authority Revenue Fund" (the "Revenue Fund"). There are also hereby created and established with the Trustee the following Delaware Transportation Authority accounts within the Revenue Fund designated the "Revenue Account" and the "Investment Account". Receipts and Revenues of the Authority constituting Delaware Turnpike Revenues, Net Motor Fuel Tax Revenues, Document Fees and Additional Revenues shall be deposited in the Revenue Account. Earnings derived from any Fund created under the provisions of this Agreement other than the Rebate Account shall be deposited in the Investment Account.

There is also hereby created and established with the Trustee, a trust fund designated "Delaware Transportation Authority Debt Service Fund" (the "Debt Service Fund"). There are hereby created and established with the Trustee four separate accounts in the Debt Service Fund designated "Senior Bonds Principal and Interest Account", "Junior Bonds Principal and

Interest Account", "Senior Bonds Redemption Account" and "Junior Bonds Redemption Account", respectively. There is also hereby created and established with the Trustee a trust fund designated "Delaware Transportation Authority Debt Service Reserve Fund" (the "Debt Service Reserve Fund"). There are hereby created and established with the Trustee two separate accounts in the Debt Service Reserve Fund designated the "Senior Bonds Debt Service Reserve Account" and the "Junior Bonds Debt Service Reserve Account".

There are also hereby created and established with the Trustee three additional trust funds designated "Delaware Transportation Authority Operating Fund" (the "Operating Fund"), "Delaware Transportation Authority Operating Reserve Fund" (the "Operating Reserve Fund") and "Delaware Transportation Authority Debt Service Stabilization Fund" (the "Stabilization Fund").

Section 4.02. Use of Money in Revenue Fund. It shall be the duty of the Trustee, on or before the 15th day of each month, to withdraw from the Revenue Account and the Investment Account an amount equal to the amount of all moneys held for the credit of those accounts on the tenth day of that month and deposit the sum so withdrawn to the credit of the following Funds in the following order:

- (a) to the credit of the Senior Bonds Principal and Interest Account, such sum, if any, required to increase the amount in said account so that it equals the total of (a) the sum obtained by multiplying one-sixth ($1/6$) of all unpaid interest on Senior Bonds (or interest on any obligation under any Credit Facility drawn upon to purchase any Senior Bonds and required to be paid under the terms of such Credit Facility in the next six months) due and payable on or before the next succeeding Interest Payment Date by the number of months in the period beginning seven months prior to such Interest Payment Date and ending on the date of such computation (provided that with respect to Senior Bonds bearing interest at intervals more frequently than once every six months or at a variable rate, the Trustee shall deposit such amounts as are necessary to pay interest on such Senior Bonds when due as provided in the applicable Supplemental Agreement) and (b) the sum obtained by multiplying one-twelfth ($1/12$) of all unpaid principal of serial Senior Bonds (or amounts attributable to principal of such Senior Bonds acquired by a drawing under a Credit Facility and required to be paid under the terms of such Credit Facility in the next twelve months) due and payable on or before the date when the

next installment of serial Senior Bonds shall mature by the number of whole months in the period beginning thirteen months prior to such date and ending on the date of such computation;

- (b) to the credit of the Senior Bonds Redemption Account, a sum obtained by multiplying one-twelfth (1/12) of the principal amount of the then Outstanding term Senior Bonds of each series required to be retired in satisfaction of Sinking Fund Payments therefor in the next succeeding twelve months (or amounts attributable to principal of Senior Bonds acquired by a drawing under a Credit Facility and required to be paid under the terms of the Credit Facility in the next succeeding twelve months) by the number of whole months in the period beginning thirteen months prior to such date and ending on the date of such computation;
- (c) to the credit of the Senior Bonds Debt Service Reserve Account such amount, if any, of the balance remaining after making the deposits under clauses (a) and (b) above (or the entire balance if less than the required amount) as may be required to make the amount then to the credit of the Senior Bonds Debt Service Reserve Account equal to the Senior Bonds Debt Service Reserve Account Requirement or such greater amount as shall be determined by the Authority pursuant to a Supplemental Agreement provided such amount is originally funded with proceeds of Bonds or satisfied by a Credit Facility;
- (d) to the credit of the Junior Bonds Principal and Interest Account, such sum, if any, required to increase the amount in said account so that it equals the total of (a) the sum obtained by multiplying one-sixth (1/6th) of all unpaid interest on Junior Bonds (or interest on any obligation under any Credit Facility drawn upon to acquire any Junior Bonds and required to be paid under the terms of such Credit Facility in the next six months) due and payable on or before the next succeeding Interest Payment Date by the number of whole months in the period beginning seven months prior to such Interest Payment Date and ending on the date of such computation (provided that with respect to Junior Bonds bearing interest at intervals more frequently than once every six months or at a variable rate, the Trustee shall deposit such amounts as are

necessary to pay interest on such Junior Bonds when due as provided in the applicable Supplemental Agreement) and (b) the sum obtained by multiplying one-twelfth (1/12th) of all unpaid principal of serial Junior Bonds (or amounts attributable to principal of such Bonds acquired by a drawing under a Credit Facility and required to be paid under the terms of such Credit Facility in the next twelve months) due and payable on or before the date when the next installment of serial Junior Bonds, shall mature by the number of whole months in the period beginning thirteen months prior to such date and ending on the date of such computation;

- (e) to the credit of the Junior Bonds Redemption Account, a sum obtained by multiplying one-twelfth (1/12th) of the principal amount of the then Outstanding term Junior Bonds of each series required to be retired in satisfaction of Sinking Fund Payments therefor in the next succeeding twelve months (or amounts attributable to principal of Junior Bonds acquired by a drawing under a Credit Facility and required to be paid under the terms of such Credit Facility in the next twelve months) by the number of whole months in the period beginning thirteen months prior to such date and ending on the date of such computation;
- (f) to the credit of the Junior Bonds Debt Service Reserve Account, such amount, if any, of the balance remaining after making the deposits under clauses (d) and (e) above (or the entire balance if less than the required amount) as may be required to make the amount then to the credit of the Junior Bonds Debt Service Reserve Account equal to the Junior Bonds Debt Service Reserve Account Requirement or such greater amount as shall be determined by the Authority by resolution from time to time filed with the Trustee;
- (g) to the credit of the Operating Fund, an amount necessary to increase the amount in said Fund to an amount equal to one-sixth (1/6) of the amount set forth in the Annual Budget to be expended from said Fund;
- (h) to the credit of the Operating Reserve Fund, an amount necessary to increase the amount in said Fund to an amount equal to one-sixth (1/6) of the amount set forth in the Annual Budget to be

expended from the Operating Fund with respect to the Delaware Turnpike;

- (i) to the credit of the Stabilization Fund, an amount, together with any other money credited to such Fund, equal to an amount determined by the Authority in a Supplemental Agreement with the initial deposit required to be made to the Stabilization Fund when a determination is made by the Authority that Test Revenues are less than 3.5 times the maximum Principal and Interest Requirements on Senior Bonds Outstanding; and
- (j) the remainder, if any, to the Authority, free of the lien of this Agreement, for deposit to the Transportation Trust Fund.

SECTION 4.03. Use of Money in Principal and Interest Accounts. Money held for the credit of the Senior Bonds Principal and Interest Account and in the Junior Bonds Principal and Interest Account shall be used to pay the principal of and interest on the Senior Bonds and Junior Bonds, respectively, when due and payable, to pay the purchase price of Senior Bonds and Junior Bonds, respectively, and to make payments of principal of and interest on draws or advances under a Credit Facility acquired to ensure payment of such sums.

SECTION 4.04. Use of Money in Redemption Accounts. Money held for the credit of the Senior Bonds Redemption Account and the Junior Bonds Redemption Account, which may include money other than money deposited by operation of Section 4.02 of this Agreement, shall be applied to the retirement of Senior Bonds and Junior Bonds, respectively, issued under the provisions of this Agreement as follows:

- (a) Subject to the provisions of paragraph (c) of this Section, the Trustee shall endeavor to purchase Senior Bonds or portions of Senior Bonds secured hereby and then Outstanding, whether or not such Senior Bonds or portions thereof shall then be subject to redemption, at the most advantageous price obtainable with reasonable due diligence, such price not to exceed the principal of such Senior Bonds (plus, in the case of an optional redemption, to be effected with the approval of an Authorized Authority Representative, the amount of the premium, if any, which would be payable on the next redemption date, to the holders of such Senior Bonds under the provisions of Article III of this Agreement if such Senior Bonds or portions of Senior Bonds should be called for redemption on such date from money in the Senior Bonds

Redemption Account). The Trustee shall pay the interest accrued on such Senior Bonds or portions of Senior Bonds to the date of settlement therefor from the Senior Bonds Principal and Interest Account and the principal amount of such Senior Bonds from the Redemption Account. Senior Bonds of any series purchased by the Trustee shall reduce the next mandatory redemption requirement for Senior Bonds of that series occurring prior to the mailing of the next redemption notice by the aggregate principal amount of Senior Bonds purchased. Senior Bonds of any series purchased in a principal amount in excess of the next mandatory redemption requirement may be applied to reduce any future redemption requirement, as determined by the Authority.

- (b) Subject to the provisions of paragraph (c) of this Section, the Trustee shall call, in satisfaction of any mandatory redemption requirement set forth in a Supplemental Agreement, on any Interest Payment Date, and shall call for optional redemption on each Interest Payment Date upon receipt of an order directing such redemption signed by an Authorized Authority Representative, on which Senior Bonds are subject to redemption from money in the Senior Bonds Redemption Account such amount of Senior Bonds or portions of Senior Bonds subject to redemption as, with the redemption premium, if any, will exhaust the money held for the credit of the Senior Bonds Redemption Account as nearly as may be practicable. Such redemption shall be made pursuant to the provisions of Article III of this Agreement. The Trustee shall withdraw from the Senior Bonds Principal and Interest Account and from the Senior Bonds Redemption Account and set aside in separate accounts or deposit with the Paying Agent the respective amounts required for paying the interest on, and the principal and any redemption premium of, the Senior Bonds or portions of Senior Bonds so called for redemption. No money shall be applied to the optional redemption of Senior Bonds from the receipt of Delaware Turnpike Revenues, Motor Fuel Tax Revenues, Document Fees or Additional Revenues unless adequate provision has been made to meet the Principal and Interest Requirements on Junior Bonds on the next Interest Payment Date.
- (c) Money in the Senior Bonds Redemption Account shall be applied by the Trustee in each Fiscal

Year to the retirement of Senior Bonds of any series then Outstanding in the following order:

First, the term Senior Bonds of any series to the extent of the Sinking Fund Payment, if any, for such Fiscal Year, plus the applicable premium, if any; and

Second, any other Senior Bonds, as directed by the Authority.

- (d) Subject to the provisions of paragraph (f) of this Section, the Trustee shall endeavor to purchase Junior Bonds or portions of Junior Bonds secured hereby and then Outstanding, whether or not such Junior Bonds or portions thereof shall then be subject to redemption, at the most advantageous price obtainable with reasonable due diligence, such price not to exceed the principal of such Junior Bonds (plus, in the case of an optional redemption, to be effected with the approval of an Authorized Authority Representative, the amount of the premium, if any, which would be payable on the next redemption date to the holders of such Junior Bonds under the provisions of Article III of this Agreement if such Junior Bonds or portions of Junior Bonds should be called for redemption on such date from money in the Junior Bonds Redemption Account). The Trustee shall pay the interest accrued on such Junior Bonds or portions of Junior Bonds to the date of settlement therefor from the Junior Bonds Principal and Interest Account and the principal amount of such Junior Bonds from the Junior Bonds Redemption Account. Junior Bonds of any series purchased by the Trustee shall reduce the next mandatory redemption requirement for Junior Bonds of that series occurring prior to the mailing of the next redemption notice by the aggregate principal amount of Junior Bonds purchased.
- (e) Subject to the provisions of paragraph (f) of this Section, the Trustee shall call, in satisfaction of any mandatory redemption requirement set forth in a Supplemental Agreement, on any Interest Payment Date, and shall call for optional redemption on each Interest Payment Date upon receipt of an order directing such redemption signed by an Authorized Authority Representative, on which Junior Bonds are subject to redemption from money in the Junior Bonds Redemption Account such amount of Junior Bonds or portions of Junior

Bonds subject to redemption as, with the redemption premium, if any, will exhaust the money held for the credit of the Junior Bonds Redemption Account as nearly as may be practicable. Such redemption shall be made pursuant to the provisions of Article III of this Agreement. Prior to calling Junior Bonds or portions of Junior Bonds for redemption the Trustee shall withdraw from the Junior Bonds Redemption Account and the Junior Bonds Principal and Interest Account and set aside in separate accounts or deposit with the Paying Agent the respective amounts required for paying the interest on, and the principal and any redemption premium of, the Junior Bonds or portions of Junior Bonds so called for redemption.

- (f) Money in the Junior Bonds Redemption Account shall be applied by the Trustee in each Fiscal Year to the retirement of Junior Bonds of any series then Outstanding in the following order:

First, the term Junior Bonds of any series to the extent of the Sinking Fund Payment, if any, for such Fiscal Year, plus the applicable premium, if any; and

Second, any other Junior Bonds, as directed by the Authority.

The Authority shall pay from the Revenue Fund all expenses in connection with any such purchase or redemption.

SECTION 4.05. Use of Money in Debt Service Reserve Fund; Valuation of Reserves. (a) Money held for the credit of the Senior Bonds Debt Service Reserve Account and the Junior Bonds Debt Service Reserve Account shall be used for the purpose of paying the interest on all Senior Bonds and Junior Bonds, respectively, and the principal of Senior Bonds and Junior Bonds, respectively, whenever and to the extent that the moneys held for the credit of the Senior Bonds Principal and Interest Account or the Junior Bonds Principal and Interest Account, as the case may be, or in the case of term Bonds, the Senior Bonds Redemption Account or the Junior Bonds Redemption Account, as the case may be, shall be insufficient for such purpose. Prior to drawing on the Senior Bonds Debt Service Reserve Account or the Junior Bonds Debt Service Reserve Account, as the case may be, the Trustee shall draw and apply any available money in the Stabilization Fund to pay Principal and Interest Requirements on the Bonds.

(b) Such investment in the Debt Service Reserve Fund shall be valued by the Trustee at the Amortized Value on any day

during the first fifteen days of each May and November. If any such valuation shows the amount credited to either the Senior Bonds Debt Service Reserve Account or the Junior Bonds Debt Service Reserve Account to be less than the Senior Bonds Debt Service Reserve Account Requirement and/or the Junior Bonds Debt Service Reserve Account Requirement, as the case may be, the Trustee shall make the transfers to such Funds as required by Section 4.02 of this Agreement. If, after any such valuation, the moneys held for the credit of the Senior Bonds Debt Service Reserve Account or the Junior Bonds Debt Service Reserve Account shall exceed the Senior Bonds Debt Service Reserve Account Requirement or the Junior Bonds Debt Service Reserve Account Requirement, as the case may be, or such greater amount as shall be determined by the Authority in a Supplemental Agreement, such excess shall be transferred by the Trustee to the credit of the Revenue Account. To the extent such excess amount represents interest earned or profit realized from investment of money in those accounts, such transfer shall be made to the Investment Account.

(c) Upon any refunding of Bonds, the Authority is authorized to instruct the Trustee to withdraw an amount from the Senior Bonds Debt Service Reserve Account and/or the Junior Bonds Debt Service Reserve Account, as the case may be, and transfer that amount to an escrow account for the holders of refunded Bonds, or to a Trustee for the holders of the refunding bonds; provided that, the amount remaining in the Senior Bonds Debt Service Reserve Account and/or the Junior Bonds Debt Service Reserve Account, as the case may be, is not less than the Senior Bonds Debt Service Reserve Account Requirement and/or the Junior Bonds Debt Service Reserve Account Requirement, as the case may be, with respect to the unrefunded Bonds.

(d) Two months prior to each July 1 (as of a date during such two-month period), [and also at the time of issuance of additional Bonds] the Authority shall file with the Trustee the certificate of the Director described in Section 2.07(b)(i) of this Agreement. In the event that the certificate shows that Test Revenues do not cover maximum Principal and Interest Requirements of the Senior Bonds Outstanding by 2.00 times, then (i) the Senior Bonds Debt Service Reserve Account Requirement shall become an amount equal to the maximum Principal and Interest Requirements on Senior Bonds Outstanding and (ii) the Authority shall commence to make deposits to such Account on at least an equal monthly basis to fund fully the Senior Bonds Debt Service Reserve Account Requirement on or by the second anniversary of the date of calculation. On any subsequent July 1, if such coverage exceeds 2.25 times, the Senior Bonds Debt Service Reserve Account Requirement may be reduced to an amount equal to one-half maximum Principal and Interest Requirements on Senior Bonds Outstanding, subject to increase as provided above. Senior Bonds Outstanding, for purposes of the above calculation,

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shall include Senior Bonds to be issued at the time such certificate is required to be prepared by virtue of Section 2.07 of this Agreement.

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SECTION 4.06. Use of Money in Operating Fund. Moneys in the Operating Fund shall be held by the Trustee in trust and used to pay Turnpike Operating Expenses, including all amounts required for payment by the Authority under any interest rate exchange agreement entered into by the Authority, and other amounts contemplated to be met in the Annual Budget to the extent provision is made in the Annual Budget to meet such expenditures. Payments from the Operating Fund shall be made in accordance with the provisions of this Section. Before any amount shall be withdrawn from the Operating Fund, the Authority shall file with the Trustee a requisition, signed by an Authorized Authority Representative stating:

- (a) the number of each such payment,
- (b) the name of the person to whom each such payment is due,
- (c) the amount to be paid,
- (d) the purpose by general classification for which such payment is to be made,
- (e) that an obligation in the amount to be paid has been incurred by the Authority and is presently due and payable and that such item was properly incurred as an item of Turnpike Operating Expenses or is otherwise payable from the Operating Fund and has not been paid,
- (f) that there has not been filed with or served upon the Authority notice of any lien, right to lien or attachment upon, or claim affecting the right of any such persons to receive payment of, the amount stated in such requisition which has not been released or will not be released simultaneously with the payment of such obligation, and
- (g) that the total amount of such payments will not be in excess of the unencumbered balance of the amounts provided for Turnpike Operating Expenses and other amounts to be paid from the Operating Fund in the Annual Budget or any amendment thereof or supplements thereto.

Upon receipt of a requisition, the Trustee shall transfer the amount requested to an account of the Authority established for the purpose of meeting operating expenses of the

Authority. In making such payments the Trustee may rely upon such requisitions as conclusive.

In addition to such requisition procedure, the Trustee shall pay to the Authority, from time to time, from the Operating Fund upon receipt of a requisition which only sets forth an amount or upon receipt of a telephone request, in either case, from an Authorized Authority Representative, requesting a sum or sums aggregating not more than ten percent (10%) of the amount shown in the Annual Budget for Operating Expenses for the current Fiscal Year, such sums to be used by the Authority for the payment of Turnpike Operating Expenses. The Authority will nevertheless file with the Trustee a requisition for such amounts paid to the Authority as promptly thereafter as is convenient, it being the intent of the Authority that by the end of each Fiscal Year, requisitions for all money paid by the Trustee from the Operating Fund will be supported by requisitions in the form described in the first paragraph of this Section. Once a requisition has been filed with the Trustee in the form required by the first paragraph of this Section, the amount available to be requisitioned pursuant to this paragraph shall be increased by a like amount. In making such payments, the Trustee may rely upon such requisitions as conclusive.

SECTION 4.07. Use of Money in Operating Reserve Fund. The money in the Operating Reserve Fund shall be transferred, from time to time, to the Operating Fund by the Trustee to meet obligations of the Authority payable from the Operating Fund, for which insufficient money is on hand in the Operating Fund to meet expenditures payable from the Operating Fund.

SECTION 4.08. Use of Money in the Stabilization Fund. The money in the Stabilization Fund shall be transferred, from time to time, to the Debt Service Fund by the Trustee to meet obligations from the Debt Service Fund, for which insufficient money is on hand in the Debt Service Fund to meet such obligations. The Trustee shall make any such transfer by satisfying any deficiency in the Senior Bonds Principal and Interest Account and the Senior Bonds Redemption Account before satisfying any deficiency in the Junior Bonds Principal and Interest Account or the Junior Bonds Redemption Account.

SECTION 4.09. Custody of Funds; Creation of Additional Accounts; Withdrawal of Money. The Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Operating Fund, the Operating Reserve Fund, the Capital Fund and the Stabilization Fund shall be in the custody of the Trustee but in the name of the Authority. The Trustee shall establish and maintain, in addition to the accounts in those Funds created under this Agreement, any additional accounts within the foregoing Funds as may be requested by an Authorized Authority Representative. The Authority hereby authorizes and directs the

Trustee to withdraw from the appropriate accounts in the Debt Service Fund and furnish to the Paying Agent or Co-Paying Agent funds constituting part of the Trust Estate sufficient to pay the principal of and premium, if any, and interest on the Senior Bonds and Junior Bonds, respectively, as the same shall become due and payable, and to withdraw from the Stabilization Fund, the Senior Bonds Debt Service Reserve Account and the Junior Bonds Debt Service Reserve Account money, sufficient to pay any amounts payable from the applicable accounts in the Debt Service Fund, as the same shall become due and payable, whenever insufficient amounts are available in the applicable accounts of the Debt Service Fund to meet payments of principal and interest on the Senior Bonds or Junior Bonds, respectively. All interest earned or profit realized on any investment in the Revenue Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Stabilization Fund and the Capital Fund shall be transferred as earned to the Investment Account on at least an annual basis.

SECTION 4.10. Bonds Not Presented for Payment. In the event any Bonds shall not be presented for payment when the principal thereof and premium, if any, thereon become due, either at maturity or at the date fixed for redemption thereof or otherwise, if money sufficient to pay such Bonds are held by the Paying Agent or any Co-Paying Agent for the benefit of the holders thereof, the Paying Agent shall segregate and hold such money in trust, without liability for interest thereon, for the benefit of the holders of such Bonds who shall, except as provided in the following paragraph, thereafter be restricted exclusively to such fund or funds for the satisfaction of any claim of whatever nature on their part under this Agreement or relating to said Bonds.

Any money which the Paying Agent or Co-Paying Agent shall segregate and hold in trust for the payment of the principal of or premium, if any, or interest on any Bond which remain unclaimed for seven (7) years after such principal, premium, if any, or interest has become due and payable shall be paid to the Authority, and thereafter the holders of such Bonds shall look only to the Authority for payment and then only to the extent of the amounts so received, without interest thereon, and the Trustee, the Paying Agent and any Co-Paying Agent shall have no responsibility with respect to such money and all liability of the Trustee, the Paying Agent and any Co-Paying Agent with respect to such money shall thereupon cease.

SECTION 4.11. Money Held in Trust. All money and investments held by the Trustee in the Funds created under this Agreement, and all moneys required to be deposited with or paid to the Trustee for deposit into the Revenue Fund, and all moneys withdrawn from the Debt Service Fund or Debt Service Reserve Fund and held by the Trustee, the Paying Agent, any Co-Paying Agent, or the Tender Agent shall be held by the Trustee, the Paying

Agent, any Co-Paying Agent, or the Tender Agent as the case may be, in trust, and such moneys and investments (other than moneys held pursuant to Sections 4.10 and 7.22 hereof or money held in the Operating Fund or Operating Reserve Fund or money held by a Tender Agent or any similar person solely for the payment of Bonds put or to be put) while so held or so required to be deposited or paid, constitute part of the Trust Estate and are subject to the lien and security interest created hereby in favor of the Trustee for the benefit of the holders from time to time of the Bonds. The Authority shall have no right, title or interest in such Funds except such rights as may arise after the right, title and interest of the Trustee in and to the Trust Estate and all covenants, agreements and other obligations of the Authority under this Agreement shall have ceased, terminated and become void and shall have been satisfied and discharged in accordance with Article VIII hereof.

SECTION 4.12. Credit Facilities. (a) The Authority may obtain one or more Credit Facilities for the benefit of holders of all or less than all of the Bonds. A Credit Facility shall be the obligation of the obligor to pay to the Trustee, in accordance with the terms thereof, such amounts as shall be specified therein and available to be drawn thereunder for the timely payment of the principal of and premium, if any, and interest on the Bonds, the purchase price of the Bonds, required to be made pursuant to, and in accordance with, the provisions of this Agreement or the satisfaction of any other obligation of the Authority to holders of the Bonds all as shall be set forth in the Supplemental Agreement pursuant to which any Bonds are issued.

(b) The Authority may satisfy the Senior Bonds Debt Service Reserve Account Requirement and/or the Junior Bonds Debt Service Reserve Account Requirement by obtaining a Credit Facility pursuant to which the Trustee may obtain an amount sufficient to satisfy the applicable Senior Bonds Debt Service Reserve Account Requirement and/or Junior Bonds Debt Service Reserve Account Requirement. Any Credit Facility may provide that upon a drawing or advance under any such Credit Facility amounts credited to the Senior Bonds Debt Service Reserve Account or the Junior Bonds Debt Service Reserve Account, as the case may be, may be applied initially to reimburse the provider of the Credit Facility obtained by the Authority for any draw or advance under any applicable Credit Facility, at times and in amounts required by written agreement with the provider of that Credit Facility. Such credits may exceed in amount the amounts otherwise required to be credited to those accounts absent the existence of a written agreement with the provider of the Credit Facility to reimburse the provider of the Credit Facility for any draw or advance thereunder.

(c) No such Credit Facility may be obtained to satisfy a Senior Bonds Debt Service Reserve Account Requirement or a Junior Bonds Debt Service Account Requirement for Bonds of any series unless the Rating Agencies then rating or requested to rate the applicable Bonds confirms, in effect, in writing to the Authority, that the use of any such Credit Facility would not by itself serve to reduce the current rating of the applicable Bonds or serve to reduce the rating requested on Bonds to be authenticated and delivered from the rating that would be applicable if any such requirement were met from the proceeds of Bonds or other Receipts and Revenues of the Authority. Furthermore, any such Credit Facility in the form of an insurance policy shall be rated in Moody's and S&P's highest Rating Category at the time it is acquired. Any such Credit Facility in the form of a letter of credit shall be rated at all times in the highest Rating Category of Moody's and S&P.

(d) The Authority may make provisions with the provider of any such Credit Facility that any payment may be made from the Senior Bonds Debt Service Reserve Account or the Junior Bonds Debt Service Reserve Account, as the case may be, by first drawing on the Credit Facility before applying any available money in such Funds for the purposes for which such money may be applied.

SECTION 4.13. Cancellation of Bonds. All Bonds paid, redeemed or purchased, either at or before maturity, shall be cancelled upon the payment, redemption or purchase of such Bonds and shall be delivered to the Trustee when such payment, redemption or purchase is made. All Bonds cancelled under any of the provisions of this Agreement shall be destroyed by the Trustee, which shall execute a certificate of destruction in duplicate describing the Bonds so destroyed and one executed certificate shall be retained by the Trustee and a duplicate original shall be forwarded to the Authority.

ARTICLE V

The Capital Fund

SECTION 5.01. Capital Fund. A trust fund is hereby created and established with the Trustee designated "Delaware Transportation Authority Capital Fund" (the "Capital Fund"). There are also hereby created and established with the Trustee, within the Capital Fund, two accounts designated "Turnpike Account" and "Other Projects Account". The Trustee shall establish and maintain any additional accounts within the Capital Fund which may be requested by an Authorized Authority Representative.

SECTION 5.02. Deposits to the Capital Fund. The Authority shall designate in the Supplemental Agreement pursuant to which Bonds are issued the appropriate account in the Capital Fund for deposit of the proceeds of Bonds to be deposited to the Capital Fund. The Authority is hereby authorized to shift money from one account in the Capital Fund to another account in the Capital Fund. In addition, there shall be deposited in an account of the Capital Fund any moneys required to be deposited in the Capital Fund as required by Section 7.08 of this Agreement together with directions regarding its use.

SECTION 5.03. Method of Disbursement from Capital Fund. The Trustee is hereby authorized and directed to disburse moneys in the Capital Fund to or upon the order of the Authority from time to time upon receipt by it of requisitions executed by, or communications by telegram, telex or other facsimile transmission from, an Authorized Authority Representative, which requisitions or communications shall state with respect to each payment to be made: (i) the requisition number, (ii) the name and address of the person to whom payment is due or has been made (or, in the case of payments to the Debt Service Fund, instructions to make such payments thereto), (iii) the amount paid or to be paid, (iv) the account or accounts within the Capital Fund from which payment of such requisition, or any portion thereof, shall be made, (v) that each obligation, item of cost or expense with respect to which such requisition is being made has been properly incurred and has been paid or is then due and payable as an item of the Cost of a Project, is a proper charge against the Capital Fund, and has not been the basis of any previous final payment therefrom or from the proceeds of any other obligations issued by the Authority, and (vi) that there has not been filed with or served upon the Authority notice of any lien, right to lien or attachment upon, or claim affecting the right of any person to receive payment from the Capital Fund which has not been satisfied, bartered, contested in good faith and which will not be satisfied or released upon payment of such requisition.

In paying any requisition under this Section 5.03 the Trustee shall be entitled to rely as to the completeness and accuracy of all statements in such requisition upon the approval of such requisition by an Authorized Authority Representative, execution thereof to be conclusive evidence of such approval.

The Trustee shall keep and maintain adequate records pertaining to each account within the Capital Fund and all disbursements therefrom and the Trustee shall, if requested by the Authority, file an accounting thereof with the Authority. All interest accruing on money credited to the Capital Fund and any profit realized thereon shall be credited to the Investment Account.

SECTION 5.04. Items of Cost Payable from the Capital Fund. For the purpose of this Agreement the Cost of Projects payable from the Capital Fund shall include the cost of constructing, reconstructing or improving Projects, and, without intending thereby to limit or restrict any proper definition of Cost under the provisions of the Act, shall include the following:

- (a) obligations incurred for labor and materials and to contractors, builders and materialmen, for machinery and equipment, for the restoration or relocation of property damaged or destroyed in connection with such construction, reconstruction or improvement, for the removal or relocation of structures, for the clearing of lands and for the relocation of utilities;
- (b) the cost of acquiring by purchase, if such purchase shall be deemed expedient by the Authority, and the amount of any deposit in court or award or final judgment in or any settlement or compromise of any proceeding to acquire by eminent domain, such lands, property, rights, rights of way, easements, franchises and other interests as may be deemed necessary or convenient by the Authority, options and partial payments thereon, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, and the amount of any damages incident to or consequent upon the construction, reconstruction or improvement of Projects;
- (c) interest on any Bonds prior to the commencement of and during the construction, reconstruction or improvement of a Project and after the completion of their construction for a period ending one year after commencement of operation of such Project;
- (d) the fees and expenses of the Trustee for its services prior to and during construction, taxes or other municipal or governmental charges lawfully levied or assessed during construction, and premiums on insurance (if any) during construction, reconstruction or improvement;
- (e) the cost of borings and other preliminary investigations to determine foundation or other conditions, expenses necessary or incident to determining the feasibility or practicability of constructing, reconstructing or improving

Projects, and fees and expenses of engineers for making studies, surveys and estimates of costs and of revenues and other estimates and for preparing plans and specifications and supervising construction, reconstruction or improvement, as well as for the performance of all other duties of engineers;

- (f) expenses of administration properly chargeable to Projects, legal expenses and fees, financing charges, cost of audits and of preparing and issuing Bonds, including fees and expenses of any legal counsel or financial advisor, and all other items of expense not elsewhere in this Section specified incident to the construction, reconstruction, and improvement of Projects, the financing thereof, the placing of the same in operation (including the initial premiums on any insurance required or obtained under the provisions of this Agreement), and the acquisition of lands, property, rights, rights of way, easements, franchises and interests therefor, including abstracts of title, title insurance, cost of surveys and other expenses in connection with such acquisition; and
- (g) any obligation or expense heretofore or hereafter incurred by the Authority in connection with a Project with the approval of the Authority or by the Authority for any of the foregoing purposes.

SECTION 5.05. Completion of a Project. Upon receipt by the Trustee of a certificate furnished by an Authorized Authority Representative, any balance remaining in the Capital Fund (other than amounts to be retained by the Trustee at the direction of the Authority to meet unpaid costs of a Project) shall (a) be applied in whole or in part (i) to the purchase of Bonds in such amounts, at such prices, at such times and otherwise as directed by an Authorized Authority Representative, including without limitation the purchase of Bonds by the Tender Agent or the Authority that are put pursuant to the terms of such Bonds, or (ii) in any other manner directed by the Authority which, as indicated in an opinion of Bond Counsel furnished to the Authority and the Trustee, will not impair the validity under the Act of the Bonds or the exclusion from gross income of the interest thereon for purposes of Federal income taxation, or (b) in the absence of any such purchase or direction within sixty (60) days of the receipt by the Trustee of such certificate (or such shorter period as the Authority shall direct), be deposited by the Trustee into a subaccount maintained within the Senior Bonds Redemption Account, to the extent such money was derived

from the issuance of Senior Bonds to the Junior Bonds Redemption Account, to the extent such money was derived from the issuance of Junior Bonds or to an account with the Trustee for holders of Subordinate Indebtedness to the extent such money was derived from the issuance of Subordinated Indebtedness. Pending the application of any moneys remaining in the Capital Fund following the receipt of the aforesaid certificate, such moneys may be invested, at the direction of an Authorized Authority Representative, in Qualified Investments in the manner permitted by Section 6.01 hereof.

SECTION 5.06. Redemption of All Outstanding Bonds. Except as set forth in Section 5.05 hereof, in the event that all Outstanding Bonds are to be redeemed, the Trustee shall, without further authorization, deposit into the Senior Bonds Redemption Account and/or the Junior Bonds Redemption Account, as the case may be, all amounts remaining in the Capital Fund constituting part of the Trust Estate, with advice to the Authority of such action, such deposit to be made on the date fixed for such redemption. Money from the Capital Fund shall first be deposited in the Senior Bonds Redemption Account in an amount sufficient, together with any other funds available in such Fund, to pay the redemption price on Senior Bonds; and the remainder shall be deposited in the Junior Bonds Redemption Account.

SECTION 5.07. Acceleration of Bonds. In the event that the principal of the Bonds shall have become due and payable pursuant to Section 9.01 hereof, the Trustee shall, without further authorization, deposit into the Senior Bonds Redemption Account and/or the Junior Bonds Redemption Account, as the case may be, all amounts constituting part of the Trust Estate remaining in the Capital Fund, less amounts set forth in a certificate of an Authorized Authority Representative as being amounts necessary to meet outstanding obligations payable from the Capital Fund, with advice to the Authority of such action, such deposit to be made on the date of such acceleration. Money from the Capital Fund shall first be deposited in the Senior Bonds Redemption Account in an amount sufficient, together with any other funds available in such Fund, to pay the principal of and interest on Senior Bonds on the date of such acceleration; and the remainder shall be deposited in the Junior Bonds Redemption Account.

SECTION 5.08. Money Held in Trust. All money and investments held by the Trustee in the Capital Fund, and all money required to be deposited with or paid to the Trustee for deposit into the Capital Fund, and any money withdrawn from the Capital Fund and held by the Trustee or the Tender Agent for the payment or purchase of Bonds, shall be held by the Trustee or the Tender Agent, as the case may be, in trust and such money and any investments while so held or so required to be deposited or paid, shall constitute part of the Trust Estate and be subject to

the lien and security interest created hereby in favor of the Trustee for the benefit of the holders from time to time of the Bonds. Money held by the Trustee in the Capital Fund shall be disbursed by the Trustee to the Authority upon and to the extent of, but solely upon and to the extent of, satisfaction of the conditions set forth in Section 5.03 hereof.

ARTICLE VI

Investments

SECTION 6.01. Investments. The moneys in the Funds shall, at the direction of the Authority, be invested and reinvested in Qualified Investments, provided, however, that moneys constituting proceeds of a drawing on a Credit Facility and, while the Credit Facility is in effect ensuring the payment of principal and interest on a series of Bonds, any moneys held by the Paying Agent pursuant to Section 4.10 hereof, or by a Tender Agent, Remarketing Agent or other similar person for the purchase or redemption of Bonds shall be invested only in Government Obligations which have a remaining term not exceeding 30 days or such shorter period as needed. Subject to the further provisions of this Section 6.01, such investments shall be made by the Trustee as directed and designated by the Authority in a certificate of, or telephonic advice promptly confirmed by a certificate of, an Authorized Authority Representative. As and when any amounts thus invested may be needed for disbursements from any Fund, the Trustee shall cause a sufficient amount of such investments to be sold or otherwise converted into cash to the credit of such Fund. As long as no Event of Default shall have occurred and be continuing, the Authority shall have the right to designate the investments to be sold and to otherwise direct the Trustee in the sale or conversion to cash of the investments made with the moneys in the Funds, provided that the Trustee shall be entitled to assume conclusively the absence of any such Event of Default unless it has notice thereof within the meaning of Section 10.05 hereof.

Investments shall be made from each Fund for a period not exceeding a period during which such investments are expected to be required to be converted to cash for application by or on behalf of the Authority provided that: (a) moneys held for the credit of the Revenue Fund and the Operating Reserve Fund shall not be invested in Qualified Investments which mature or which are not subject to redemption by the Trustee, at the option of the Trustee, later than one year after the date of such investment; (b) moneys held for the credit of the Debt Service Reserve Fund shall be invested in Qualified Investments which mature or which are not subject to redemption by the Trustee, at the option of the Trustee at such times as designated by the Authority.

In furtherance of the covenant of the Authority set forth in Section 7.22 of this Agreement, the Trustee shall comply with any and all instructions of the Authority, given from time to time, to pay all or a portion of the moneys in the Funds not constituting part of the Trust Estate to, or upon the order of, the Department of the Treasury of the United States of America, anything in this Agreement to the contrary notwithstanding.

SECTION 6.02. Depositaries. All Receipts and Revenues of the Authority shall promptly be deposited by the Authority with a Depositary or Depositaries designated by an Authorized Authority Representative. No Receipts and Revenues of the Authority shall be deposited by the Authority with any Depositary, other than the Trustee, in an amount exceeding fifty percent (50%) of the amount which an officer of such Depositary shall certify to the Authority, equals the combined capital and surplus of such Depositary.

Investment of moneys in any Fund shall be deemed at all times to be a part of such Fund, but the interest accruing thereon and any profit realized from such investment shall be credited to the Investment Account in accordance with Sections 4.01, 4.09 and 5.03 of this Agreement. Any loss resulting from such investment shall be charged to the Fund from which such investment was made. The Trustee shall sell at the best price reasonably obtainable or present for redemption any obligations so purchased whenever it shall be necessary so to do in order to provide moneys to meet any payment or transfer from any such Fund. The Trustee shall not be liable or responsible for any loss resulting from any such investment.

Any investments made by the Authority or the Trustee pursuant to this Article VI may be made by the Authority or the Trustee with the Trustee.

ARTICLE VII

General Covenants

SECTION 7.01. Payment of Bonds. (a) The Authority covenants that it will promptly pay the principal of and the interest on every Bond issued under the provisions of this Agreement at the places, on the dates and in the manner provided in the Bonds, and any premium required for the retirement of the Bonds by purchase or redemption, according to the true intent and meaning thereof. A Supplemental Agreement may provide however that Bonds may be issued secured solely by the proceeds of those Bonds without meeting the requirements of Section 2.07 of this Agreement and in any such event such Bonds shall be payable solely from the proceeds of such Bonds. At such time as those

proceeds are inadequate to meet Principal and Interest Requirements on such Bonds and as a condition precedent to the application of the proceeds of such Bonds to any use other than the payment of principal of and interest on such Bonds, the conditions precedent to issuing additional Bonds set forth in Section 2.07 of this Agreement must be met. Except as in this Agreement otherwise provided, such principal, interest and premium are payable solely from Motor Fuel Tax Revenues, Delaware Turnpike Revenues, Document Fees and Additional Revenues, which are hereby pledged or are subsequently pledged to the payment thereof in the manner and to the extent provided in this Agreement. Nothing in the Bonds or in this Agreement shall be construed as obligating the State or any of its political subdivisions, agencies or instrumentalities, the Authority or the Department to pay the Bonds or the interest thereon, except from the Receipts and Revenues of the Authority or other available money held under the Agreement (to the extent provided in this Agreement), or as pledging the faith and credit or taxing power of the State or any of its political subdivisions, or of the Authority.

(b) The Authority covenants for the benefit of the holders of the Bonds, to cause the necessary arrangements to be made and to be thereafter continued whereby the holders from time to time of the Bonds bearing interest at a Short-Term Rate may, subject to terms and conditions approved by the Authority, put Bonds and whereby such Bonds shall be purchased pursuant to such puts.

(c) The Authority also covenants that the obligations, liability and indebtedness of the Authority evidenced by the Junior Bonds and the payment of the principal thereof, premium, if any, and interest thereon shall be subordinate and subject in right of payment to the prior payment of all Senior Bonds, as provided in this Agreement. The Authority further covenants with respect to the issuance of Junior Bonds that:

(i) In the event of any insolvency or bankruptcy proceedings, and any receivership, liquidation, reorganization or other similar proceedings in connection therewith, relative to the Authority or to its property, and in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the Authority, whether or not involving insolvency or bankruptcy, and following notice to the Trustee of the happening of any such event, the holders of all Senior Bonds then Outstanding shall be entitled to receive payment in full of all principal and interest on all such Bonds before the holders of Junior Bonds are entitled to receive any payment from the Trust Estate (other than Junior Bonds Priority Funds subject to the provisions of Section 3.04 hereof) on account of principal (and premium, if any) or interest upon any Junior Bonds;

(ii) In the event that any Junior Bond is declared due and payable by the Trustee before its expressed maturity because of the occurrence of an Event of Default (under circumstances when the provisions of paragraph (i) above shall not be applicable), the holders of all Senior Bonds then outstanding at the time any Junior Bond so becomes due and payable because of such occurrence of an Event of Default shall be entitled to receive payment in full of all principal and interest on all such Bonds before the holders of any Junior Bond are entitled to receive any payment from the Trust Estate (other than Junior Bonds Priority Funds subject to the provisions of Section 3.04 hereof) of principal (and premium, if any) or interest upon Junior Bonds;

(iii) If any Event of Default shall have occurred and be continuing (under circumstances when the provisions of paragraph (i) or (ii) above shall not be applicable), and the Trustee attempts to remedy the Event of Default by accelerating payment of Senior Bonds, or there is an Event of Default resulting from the failure in payment of Principal and Interest Requirements on any Senior Bonds, the holders of all Senior Bonds then Outstanding shall be entitled to receive payment in full of all principal and interest on all such Bonds before the holders of any Junior Bonds are entitled to receive any payment from the Trust Estate (other than Junior Bonds Priority Funds subject to the provisions of Section 3.04 hereof) of principal (and premium, if any) or interest upon the Junior Bonds;

(iv) No holder of Senior Bonds shall be prejudiced in his right to enforce subordination of Junior Bonds by any act or failure to act on the part of the Authority;

(v) The provisions of paragraphs (i), (ii), (iii) and (iv) above are solely for the purpose of defining the relative rights of the holders of the Senior Bonds on the one hand, and the holders of Junior Bonds, on the other hand, and no provision of this Agreement shall impair, as between the Authority and the holders of any Junior Bonds, the obligation of the Authority, which may be unconditional and absolute, to pay to the holders of any Junior Bonds the principal thereof and premium, if any, and interest thereon in accordance with their terms; no provision of this Agreement shall prevent the holders of any Junior Bonds from exercising all remedies otherwise permitted by applicable law or under this Agreement upon any default under this Agreement, subject to the rights under paragraphs (i), (ii), (iii) and (iv) above of the holders of Senior Bonds to receive cash, property or securities otherwise payable or delivered to the holders of any Junior Bonds and no provision of this Agreement shall prevent the application by the holder of any Junior Bond of any moneys deposited with any such holder for the purpose of the payment of or on account of the

principal (and premium, if any) or interest on any Junior Bond if such holder did not have knowledge at the time of such application that such payment was prohibited by the foregoing provisions;

(vi) Subject to the payment of the Senior Bonds provided in the foregoing provisions, the holders of any Junior Bond shall be subrogated to the rights of the holders of the Senior Bonds to receive payments or distributions of cash, property or securities of the Authority applicable to the Senior Bonds until all amounts owing on any Junior Bond shall be paid in full and, as between the Authority, on the one hand, and the holders of any Junior Bond on the other hand, no such payment or distribution made to the holders of Senior Bonds by virtue of this Section which otherwise would have been made to the holders of Junior Bonds shall be deemed to be a payment by the Authority on account of the Senior Bonds, it being understood that the provisions of this Section are intended solely for the purpose of defining the relative rights of the holders of the Senior Bonds, on the one hand, and the holders of any Junior Bonds, on the other hand.

SECTION 7.02. Covenants as to Tolls. The Authority covenants that it will fix and revise from time to time, and charge and collect charges, fares, fees, rentals and tolls for the use of the Delaware Turnpike. The Authority further covenants that it will not reduce tolls in effect on the Delaware Turnpike after the date this Agreement becomes effective unless the Director files a certificate with the Trustee showing that the Authority would have met the tests described in Section 2.07(b)(i)(A) and (B) with respect to the Outstanding Bonds assuming a reduction in Delaware Turnpike Revenues for the applicable twelve-month period utilized in that Section 2.07(b)(i)(A) and (B) as if the reduction occurred on the first day of that period. The Authority may make any other adjustment or reclassification of toll rates or establish special toll rates for the Delaware Turnpike, provided that such adjustment or reclassification is recommended in writing by the Authority's Traffic Consultants and will not reduce Delaware Turnpike Revenues unless the Authority meets the foregoing test. Notwithstanding the foregoing provisions of this Section, the tolls in effect on the effective date of this Agreement shall not be reduced.

SECTION 7.03. Uniformity of Tolls. The Authority covenants that tolls for traffic passing through the main line toll barrier of the Delaware Turnpike and any other toll barrier established on exits from or entrances to the Delaware Turnpike will be classified in a reasonable way to cover all traffic, so that such tolls may be uniform in application to all traffic falling within any reasonable class regardless of the status or character of any person participating in the traffic, and that no

reduced rate of toll will be allowed within any such class except that, subject to the provisions of Section 7.02 hereof, provision may be made for the use of commutation or other tickets or privileges based upon frequency or volume. The Authority further covenants that no free vehicular passage will be permitted through the main line toll barrier of the Delaware Turnpike and any other toll barrier established on exits from or entrances to the Delaware Turnpike except to vehicles of officers and employees of the Authority while they are in the discharge of their official duties, to vehicles of any fire or police department or rescue squad of the State or of any political subdivision thereof while operated in the discharge of official duties, to ambulances owned or operated by a non-profit organization while operated in the discharge of their duties and to vehicles owned or operated by agents and independent contractors of the Authority and by lessees of the Authority and their agents and independent contractors which are used in connection with the operation, maintenance, repair or reconstruction of the Delaware Turnpike.

SECTION 7.04. Inspection of Delaware Turnpike. The Authority covenants that it will cause its Engineering Consultants to make an inspection of the Delaware Turnpike at least once in every other year and, on or before the 1st day of October in such year, to submit to the Authority a report or reports setting forth their findings whether the Delaware Turnpike has been maintained in good repair, working order and condition.

Promptly after the receipt of any such report by the Authority, copies thereof shall be filed with the Trustee and mailed by the Authority to all holders of Bonds who shall have filed their names and addresses with the Director for such purpose.

SECTION 7.05. Use and Operation of the Delaware Turnpike. The Authority covenants that it will establish and enforce reasonable rules and regulations governing the use of the Delaware Turnpike and the operation thereof, that all conditions of employment and all compensation, salaries, fees and wages paid by it in connection with the operation, maintenance and repair of the Delaware Turnpike will be reasonable, that no more persons will be employed by it than are necessary, that all persons employed by it will be qualified for their respective positions, that it will maintain and operate the Delaware Turnpike in an efficient and economical manner, that from the then current Receipts and Revenues of the Authority it will at all times maintain the Delaware Turnpike in good repair and in sound operating condition and will make all necessary repairs, renewals and replacements, and that it will observe and perform all of the terms and conditions contained in the Act.

SECTION 7.06. Payment of Charges. The Authority covenants that, except as otherwise permitted in Section 7.13 hereof, it will not create or suffer to be created any lien, encumbrance or charge upon the Delaware Turnpike or upon the Receipts and Revenues of the Authority except the lien, encumbrance and charge of the Bonds and Subordinate Indebtedness upon the Receipts and Revenues of the Authority, and that, from such source or other available funds, it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, within sixty (60) days after the same shall accrue, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the Delaware Turnpike or the Receipts and Revenues of the Authority; provided, however, that nothing contained in this Section shall require the Authority to pay or cause to be discharged, or make provision for, any such lien, encumbrance or charge so long as the validity thereof shall be contested in good faith.

SECTION 7.07. Funds for Constructing or Maintaining a Project. Notwithstanding any other provision of this Agreement, the Authority may permit the United States of America, the State or any of their agencies, departments or political subdivisions to pay all or any part of the Costs of constructing, maintaining, repairing and operating the Delaware Turnpike or of any other Project. Notwithstanding the foregoing, the Authority shall neither make nor authorize any appropriation or expenditure of money that would impair the right or power of the Authority to impose tolls on the Delaware Turnpike.

SECTION 7.08. Insurance. The Authority covenants that it will at all times, maintain, to the extent reasonably obtainable, the following insurance, with terms, conditions, provisions and costs, the Authority determines to be reasonable, subject to applicable, customary insurance practice:

- (a) Multi-risk insurance on facilities of the Delaware Turnpike of an insurable nature and of the character usually insured by those operating similar facilities, covering direct physical loss or damage from causes customarily insured against, in amounts certified to be necessary or advisable by the Authority;
- (b) Use and occupancy insurance covering loss of revenues by reason of the necessary interruption, total or partial, in the use of the Susquehanna River Bridge in the State of Maryland, in such amounts as the Authority shall certify will provide income during the period of interruption equal to the loss of Delaware Turnpike Revenues

for a period of one year less Turnpike Operating Expenses for that period;

- (c) Public liability, landlord's liability and comprehensive motor vehicle liability insurance;
- (d) During any improvement or reconstruction of the Delaware Turnpike, such insurance as is customarily carried by others under similar circumstances, unless maintained for the benefit of the Authority by contractors;
- (e) Blanket crime policies on all officers and employees of the Authority who collect or have custody of or access to revenues, receipts or income of the Delaware Turnpike or any funds of the Delaware Turnpike;
- (f) Boiler and machinery coverage; and
- (g) Any additional or other insurance determined by the Authority to be necessary or advisable.

All such insurance policies shall be carried in a responsible insurance company or companies authorized or qualified under the laws of the State to assume the risks covered by such policy or policies.

All policies of insurance required under subparagraphs (b) and (e) above shall be for the benefit of the Authority and the Trustee, as their respective interests may appear, shall be made payable to the Trustee, and shall be deposited with the Trustee. The Trustee shall have the exclusive right to receive the proceeds from such insurance and to receipt for claims thereunder. Policies evidencing the insurance required by subparagraphs (a), (c), (d), (f) and (g) above shall be for the benefit of the Authority. The Authority shall have the right to receive payments due and to receipt for claims under policies of insurance required by subparagraphs other than (b) and (e) above. However, the original or a copy of each such policy or a certificate that the same has been issued and is currently in effect shall be delivered to the Trustee.

The Authority shall engage Engineering Consultants to make a biennial report to the Authority concerning the value of the property insured by policies obtained pursuant to subparagraphs (a), (f) and (g) above.

The Trustee shall deposit the proceeds of physical loss or damage insurance to the credit of an account in the Capital Fund. The Authority shall give written instructions to the Trustee concerning the use of such money. The Trustee shall

deposit the proceeds of use and occupancy insurance to the credit of the Revenue Fund immediately upon receipt and such proceeds shall be used, for the purposes permitted for moneys in such Fund.

Instead of any of the foregoing policies of insurance, the Authority may establish one or more self-insurance funds to cover one or more of the risks required to be covered by the foregoing policies of insurance. Any self insurance fund shall be established pursuant to a written plan for funding and coverage adopted by the Authority. The plan shall, among other things, require that: (a) all funds be deposited with a fiduciary in trust pursuant to a written agreement; (b) an actuary shall prepare a written report recommending, among other things, the amounts to be deposited initially in the self insurance fund and the times by which such initial amounts shall be deposited; (c) a written report by an actuary, on at least a biennial basis, making recommendations on appropriate funding levels; and (d) the actuary hired by the Authority to make the foregoing reports shall be qualified and experienced.

SECTION 7.09. Inspection of Insurance Policies. All insurance policies referred to in Section 7.08 hereof shall be open at all reasonable times to inspection by the Trustee, the holders of Bonds and their agents and representatives. The Authority covenants that it will take such action as may be necessary to demand, collect and sue for any money which may become due and payable under any policy payable to the Trustee. The Trustee is hereby authorized in its own name to demand, collect, sue and receipt for any insurance money which may have become due and payable under any policies payable to it.

Any appraisalment or adjustment of any loss or damage under any policy payable to the Trustee and any settlement or payment of indemnity under any such policy which may be agreed upon by the Authority, the Trustee and any insurer shall be evidenced by a certificate, signed by an Authorized Authority Representative and by the Trustee and filed with the Director and the Trustee. The Trustee shall in no way be liable or responsible for the collection of insurance moneys in case of any loss or damage.

SECTION 7.10. No Inconsistent Action. The Authority covenants that none of the Receipts and Revenues of the Authority will be used for any purpose which is inconsistent with the provisions of this Agreement.

SECTION 7.11. Accurate Records. The Authority covenants that it will keep an accurate record of the total cost of the Delaware Turnpike and of transfers to the State to meet the costs of other Projects financed with the proceeds of Bonds, of the Receipts and Revenues of the Authority collected from the

Delaware Turnpike, of Motor Fuel Tax Revenues, of Document Fees, of Additional Revenues, if any, and of the application of such receipts and revenues. Such records shall be open during normal business hours of the Authority to the inspection of the Trustee and the holders of the Bonds and their agents and representatives.

The Authority further covenants that, in the months of January, April, July and October in each year, it will cause to be filed with the Trustee and mailed to all holders of Bonds who shall have filed their names and addresses with the Director for such purpose a report setting forth in respect of the preceding three months' period

- (a) in reasonable detail, the Receipts and Revenues of the Authority and the Turnpike Operating Expenses (i) for such period and (ii) for the same period of the preceding Fiscal Year,
- (b) all deposits to the credit of and withdrawals from each Fund created under the provisions of this Agreement during such period,
- (c) the details of all Bonds issued, paid, purchased or redeemed during such period,
- (d) a balance sheet as of the end of such period,
- (e) the amount on deposit at the end of such period to the credit of each such Fund, the security therefor, and the details of any investments thereof, and
- (f) any revisions during such period of the charges, fares, fees, rentals and tolls for the use or services of the Delaware Turnpike.

The Authority further covenants that promptly after the close of each Fiscal Year it will cause an audit to be made of its books and accounts relating to the Delaware Turnpike and the Receipts and Revenues of the Authority for the preceding Fiscal Year by an independent firm of certified public accountants of recognized ability and standing, to be chosen by the Authority. The Trustee shall make available to such accountants all of its books and records pertaining to the Delaware Turnpike and the Receipts and Revenues of the Authority. Promptly thereafter reports of each such audit shall be filed with the Authority and the Trustee and copies of such reports shall be mailed by the Authority to all holders of Bonds who shall have filed their names and addresses with the Director for such purpose. Each such audit report shall set forth in respect of the preceding Fiscal Year the same matters as are hereinabove required for the

quarterly reports, the findings of such certified public accountants as to whether the moneys received by the Authority under the provisions of this Agreement during such Fiscal Year have been applied in accordance with the provisions of this Agreement, whether any obligations for Turnpike Operating Expenses were incurred in the preceding Fiscal Year in excess of the total amount provided for Turnpike Operating Expenses in the Annual Budget for such Fiscal Year. Such quarterly reports and audit reports shall be open at all reasonable times to the inspection of the holders of Bonds and their agents and representatives.

The Authority further covenants that it will cause any additional reports or audits relating to the Delaware Turnpike to be made as required by law and that, as often as may be requested, it will furnish to the Trustee and the holder of any Bond such other information concerning the Delaware Turnpike or the operation thereof as any of them may reasonably request.

The cost of the reports and audits referred to in this Section shall be payable from the Operating Fund.

SECTION 7.12. Accounts and Records. The Authority covenants that all the accounts and records of the Authority will be kept according to generally recognized accounting practices consistent with the provisions of this Agreement.

SECTION 7.13. Covenant against Sale and Encumbrance; Exceptions. The Authority covenants that it will not sell or otherwise dispose of or encumber the Delaware Turnpike, or any part thereof, or any other physical assets of the Authority, subject to the other provisions of this Agreement, except those physical assets which the Authority either reasonably determines to be of no use for purposes of the Authority or for which the Authority is acquiring replacements.

The Authority may lease, or grant easements, franchises or concessions for the use of any part of the Delaware Turnpike and the net proceeds of any such lease, easement, franchise or concession shall be deposited as earned to the credit of the Revenue Fund.

SECTION 7.14. Performance of Covenants of the Authority; Representations. The Authority shall faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Agreement, in any and every Bond executed, authenticated and delivered hereunder, and in all proceedings pertaining thereto. The Authority represents that it is duly authorized under the laws of the State to issue the Bonds authorized hereby, to enter into this Agreement, and to pledge and assign to the Trustee the Trust Estate, and that the Bonds in the hands of the holders thereof

are and will be valid and binding limited obligations of the Authority.

SECTION 7.15. Maintenance of Rights and Powers; Compliance with Laws. The Authority shall use its best efforts to maintain, preserve and renew all the rights and powers provided to it by the Act; and it will comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the Authority.

SECTION 7.16. Further Instruments. The Authority shall, upon the reasonable request of the Trustee, from time to time, execute and deliver such instruments and take such further action as may be reasonable and as may be required to carry out the purposes of this Agreement.

SECTION 7.17. No Disposition of Trust Estate. Except as permitted by this Agreement, the Authority shall not sell, lease, pledge, assign or otherwise dispose of or encumber its interest in the Trust Estate.

SECTION 7.18. Access to Books. All books and documents in the possession of the Authority relating to the Projects shall at all reasonable times be open to inspection by the Trustee and the holders of the Bonds.

SECTION 7.19. Tax Covenant. The Authority covenants for the benefit of the holders of the Bonds (a) that no use of the proceeds of the Bonds or the earnings thereon will be made, and no other action will be taken, which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code (b) that all action with respect to the Bonds required to be taken to avoid characterization of the Bonds as "arbitrage bonds" under Section 148 of the Code shall be taken (c) that the Authority will take all reasonable steps to ensure that interest on the Bonds is not included in gross income of the holder of any Bond for purposes of federal income taxation and (d) that the Authority will take no action to cause the Bonds to become "private activity bonds" as that term is used in Section 141(a) of the Code.

SECTION 7.20. No Transfer of Credit Facility. The Trustee shall not sell, assign or transfer any Credit Facility except to a successor trustee under this Agreement.

SECTION 7.21. No Additional Prior Bonds. The Authority hereby covenants that it shall not issue any obligations secured by the Prior Trust Agreement, as supplemented; provided that any or all of the Prior Bonds may be refunded at one time or from time to time (whether or not in advance of their call date) pursuant to and secured by the Prior

Trust Agreement in the event that any such refunding of Prior Bonds results in a reduction in the maximum "Principal and Interest Requirements" as defined in the Prior Trust Agreement on the Prior Bonds.

SECTION 7.22. Rebate Account. There is hereby created and established with the Trustee an account designated the "Delaware Transportation Authority Rebate Account" (the "Rebate Account"). The Trustee, at the direction of an Authorized Authority Representative shall transfer from the Investment Account to the Rebate Account amounts determined solely by the Authority as necessary to avoid characterization of the Bonds as "arbitrage bonds" under Section 148 of the Code. Amounts on deposit in the Rebate Account shall not be subject to any claim or charge in favor of the Trustee or any holder of a Bond. Upon receipt of written instructions from an Authorized Authority Representative, the Trustee shall pay to the United States of America amounts determined solely by the Authority and/or shall transfer amounts determined solely by the Authority to the Investment Account from the Rebate Account. All amounts on deposit in the Rebate Account may be invested in Qualified Investments at the direction of the Authority. Interest earned or profit realized on amounts invested in the Rebate Account shall be retained in the Rebate Account. The Trustee shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken with respect to amounts in the Rebate Fund or any calculations made by the Authority or any other person with respect to rebate. The Trustee may conclusively rely on any instructions received from an Authorized Authority Representative with respect to rebate.

SECTION 7.23. Annual Budget. The Authority is required by the Act to prepare an Annual Budget for submission to and approval by the State. The Authority agrees to show in its Annual Budget presented to the State for its approval, the amounts the Authority expects to spend for Turnpike Operating Expenses, the amount to be held in the Operating Reserve Fund and the amounts required to be deposited to the other Funds for the Fiscal Year for which such Annual Budget is prepared.

ARTICLE VIII

Defeasance

SECTION 8.01. Defeasance. If the Authority shall pay or cause to be paid to the holder of any Bond secured hereby the principal of and premium, if any, and interest due and payable, and thereafter to become due and payable, upon such Bond or portion of such Bond, such Bond or portion thereof shall cease to be entitled to any lien, benefit or security under this Agreement. If the Authority shall pay or cause to be paid to the

holders of all the Bonds secured hereby the principal of and premium, if any, and interest due and payable, and thereafter to become due and payable, thereon, and shall pay or cause to be paid all other sums payable hereunder by the Authority, including but not limited to Subordinate Indebtedness, if any, then, and in that case, the right, title and interest of the Trustee in and to the Trust Estate shall thereupon cease, terminate and become void. In such event, the Trustee shall assign, transfer and turn over to the Authority the Trust Estate, including, without limitation, any balance remaining in any Fund; provided, however, that prior to any such assignment, transfer and turning over to the Authority as aforesaid, the Trustee shall pay to any obligor under a Credit Facility an amount equal to the lesser of (i) the total amount which the Credit Facility obligor informs the Trustee in writing is owed by the Authority to the obligor under such Credit Facility and (ii) the total amount remaining in all Funds.

All or any portion of Outstanding Bonds or portions of Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in this Article VIII when:

- (a) in the event said Bonds or portions thereof have been selected for redemption in accordance with Section 3.02 hereof, the Trustee shall have given, or the Authority shall have given to the Trustee in form satisfactory to it, irrevocable instructions to give, on a date in accordance with the provisions of Section 3.03 hereof, notice of redemption of such Bonds or portions thereof; and
- (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or, Government Obligations which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which, when due, and without any regard to reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Trustee, shall be sufficient to pay when due the principal of and premium, if any, and interest (at the maximum rate permitted hereunder, if such deposit shall be made with respect to Bonds bearing interest at the Short-Term Rate reflecting however any period during which the Short-Term Rate has been fixed at a rate or rates less than the maximum permitted rate) due and to become due on said Bonds or portions thereof on and prior to the redemption date or maturity date thereof, as the case may be: provided, however,

that, if required by the Supplemental Agreement pursuant to which the Bonds were issued, such moneys shall constitute Available Moneys and that such Government Obligations either shall have been purchased with Available Moneys, or, shall otherwise qualify as Available Moneys; and

- (c) in the event said Bonds or portions thereof do not mature and are not to be redeemed within the next succeeding sixty (60) days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as a notice of redemption is given pursuant to Section 3.03 hereof, a notice to the holders of said Bonds or portions thereof that the deposit required by clause (b) above has been made with the Trustee and that said Bonds or portions thereof are deemed to have been paid in accordance with this Article VIII and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of and premium, if any, and interest on said Bonds or portions thereof.

Neither the Government Obligations nor moneys deposited with the Trustee pursuant to this Article VIII nor principal or interest payments on any such Government Obligations shall be withdrawn (unless a substitution is made with other Government Obligations) or used for any purpose other than, and such Government Obligations, moneys and principal or interest payments shall be held in trust for, the payment of the principal of and premium, if any, and interest on said Bonds or portions thereof, or for the payment of the purchase of said Bonds in accordance with any applicable agreement with a Tender Agent or other person; provided, that, during an Interest Period which is not a fixed rate period with respect to Bonds bearing interest at a Short-Term Rate or with respect to any Bonds bearing interest at the Long-Term Rate, such moneys, if not then needed for such purposes, shall, at the direction of an Authorized Authority Representative and to the extent practicable, be invested and reinvested in Government Obligations maturing on or prior to the earlier of (a) the date moneys shall be required for the purchase of Bonds pursuant to any applicable agreement with a Tender Agent or other person; and (b) the Interest Payment Date next succeeding the date of investment or reinvestment, and interest earned from such investments shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien or pledge hereunder, unless there are insufficient other funds to redeem said Bonds; and provided, further, that, during a fixed rate period with respect to Bonds bearing interest at a Short-Term Rate or with respect to any Bonds bearing interest at the Long-Term Rate, any cash received from such principal or interest

payments on such Government Obligations deposited with the Trustee, if not then needed for such purposes, shall, at the direction of an Authorized Authority Representative and to the extent practicable, be invested in Government Obligations of the type described in clause (b) of the next preceding paragraph maturing at times and in amounts sufficient to pay when due the principal of and premium, if any, and interest to become due on said Bonds or portions thereof on or prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the Authority, as received by the Trustee, free and clear of any trust, lien or pledge hereunder unless there are insufficient other funds to redeem said Bonds. If payment of less than all the Bonds is to be provided for in the manner and with the effect provided in this Article VIII, the Authority shall select such Bonds or portions of Bonds in the manner specified by Section 3.02 hereof for selection for redemption of less than all Bonds in the principal amount designated to the Trustee by the Authority.

ARTICLE IX

Defaults and Remedies

SECTION 9.01. Events of Default. Each of the following events shall constitute and is referred to in this Agreement as an "Event of Default":

- (a) a failure to pay the principal of or premium, if any, on any Bond when the same shall become due and payable at maturity, upon redemption or otherwise;
- (b) a failure to pay an installment of interest on any Bond after such interest shall have become due and payable;
- (c) a failure to pay an amount due in respect of a put of any Bond for a period of two (2) Business Days after such amount shall have become due and payable (or such shorter period as provided by the applicable Supplemental Agreement);
- (d) a failure of the Authority to transfer to the Trustee Receipts and Revenues of the Authority pledged to the Trustee under this Agreement;
- (e) failure by the State to transfer to the Authority, or a reduction by the State subsequent to the effective date of this Agreement of the rate of, the Motor Fuel Taxes, the Document Fees or any

fees and taxes yielding Additional Revenues imposed by the State;

- (f) receipt by the Trustee of notice from the obligor of a Credit Facility ensuring the payment of principal and interest on any series of Bonds stating that an event of default under the applicable Credit Facility has occurred and directing the Trustee to declare the series of Bonds ensured by such Credit Facility to be immediately due and payable and directing the Trustee to draw on such Credit Facility;
- (g) failure by the Authority to observe and perform any other covenant, condition, agreement or provision contained in the Bonds or in this Agreement on the part of the Authority to be observed or performed for the benefit of the holders of Bonds, which failure shall continue for a period of ninety (90) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Authority by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of holders of not less than 10% in principal amount of the Bonds then Outstanding of any series, unless the Trustee, or the Trustee and the holders of a principal amount of Bonds not less than the principal amount of Bonds the holders of which requested that such notice be given, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee, or the Trustee and the holders of such principal amount of Bonds, as the case may be, shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Authority within such period and is being diligently pursued;
- (h) the Authority (i) files a petition under the Bankruptcy Reform Act of 1978 (the "Bankruptcy Code"), as amended or superseded, makes an assignment for the benefit of creditors, enters into a composition with creditors or commences a case or proceeding for reorganization or readjustment of its debts, for dissolution, liquidation or commences a similar procedure under the law of any jurisdiction, whether now or hereafter in effect; (ii) is, or admits in writing that it is, insolvent, bankrupt, is unable generally to pay its debts as they become due or

its debts are greater than its property net of any property which was transferred, concealed or removed with the intent to hinder, delay or defraud its creditors; (iii) applies to any government or governmental entity for the appointment of a Custodian (as such term is defined in Section 101(10) of the Bankruptcy Code) for itself or for all or any substantial or material part of its property; or (iv) has transferred, concealed or removed any of its property with intent to hinder, delay or defraud any of its creditors generally or the holders of the Bonds, in particular, or has received less than reasonably equivalent value in a transfer of all or a substantial or material part of its property; or

- (i) the Authority (i) has commenced against it an involuntary case or proceeding referred to in paragraph (h) above which is not dismissed on the day of such commencement; (ii) has an order of relief entered against it in such an involuntary case or proceeding; (iii) consents to, grants approval of or acquiesces to such involuntary case or proceeding; or (iv) is subject to the appointment of a Custodian for it or all or any substantial part of its property and such Custodian is not dismissed by a court of competent jurisdiction (and all such property returned) on the day of such Custodian's appointment.

Upon the occurrence and continuance of any Event of Default other than an Event of Default described in (f) or (g) of the preceding paragraph with respect to Bonds of any series, the Trustee may, and at the written request of the holders of not less than 25% in principal amount of the Outstanding Bonds of such series or upon the occurrence and continuance of an Event of Default described in (f) of the preceding paragraph and at the written request of the obligor under a Credit Facility ensuring the payment of the principal of and interest on a series of Bonds, shall, declare such series of Bonds to be immediately due and payable, whereupon they shall, without further action become and be immediately due and payable, anything in this Agreement or in the Bonds to the contrary notwithstanding. The Trustee shall give prompt notice of acceleration to any Tender Agent and any Remarketing Agent, and shall give notice thereof by Mail to all holders of Outstanding Bonds of all series. In the case of an Event of Default described in the preceding paragraph occurring when a Credit Facility is in effect and with respect to which the Trustee is required to draw to effect an acceleration of the Bonds, the Trustee shall make the aforesaid declaration on the first Business Day on or after the occurrence of such Event of

Default that the Trustee may make a drawing or drawings on such Credit Facility (but shall not make such declaration prior to such date) unless provisions to the contrary are made in the applicable Supplemental Agreement.

The provisions of the preceding paragraph, however, are subject, when no Credit Facility shall be in effect ensuring the payment of principal of and interest on a series of Bonds, to the condition that if, after the principal of any Bonds shall have been so declared to be due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Authority shall cause to be deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of any and all Bonds which shall have become due otherwise than by reason of such declaration (with interest upon such principal and, to the extent permissible by law, on overdue installments of interest, at the rate per annum borne by the Bonds) and such amounts as shall be sufficient to cover reasonable compensation and reimbursement of expenses payable to the Trustee (including reasonable counsel fees and expenses), and all Events of Default hereunder other than nonpayment of the principal of Bonds which shall have become due by said declaration shall have been remedied, then, in every such case, such Event of Default shall be deemed waived and such declaration and its consequences rescinded and annulled, and the Trustee shall promptly give written notice of such waiver, rescission and annulment to the Authority, any Tender Agent and any Remarketing Agent, and, if notice of the acceleration of any Bonds shall have been given to the holders of said Bonds, shall give prompt notice thereof by Mail to all holders of Outstanding Bonds; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

The provisions of the second preceding paragraph are further subject to the condition that, if an Event of Default described in clause (f) of the third preceding paragraph shall have occurred and if the Trustee shall thereafter have received notice from the obligor of a Credit Facility ensuring the payment of principal of and interest on a series of Bonds (a) that the notice which caused such Event of Default to occur has been withdrawn and (b) that the amounts available to be drawn on that Credit Facility to pay (i) the principal of said Bonds or the portion of the purchase price equal to principal and (ii) interest on said Bonds and the portion of purchase price equal to accrued interest have been reinstated all in amounts that are required to maintain the then ratings on said Bonds, then, in every such case, such Event of Default shall be deemed waived and its consequences rescinded and annulled, and the Trustee shall promptly give written notice of such waiver, rescission and annulment to the Authority, the obligor under the applicable

Credit Facility, any Tender Agent and any Remarketing Agent, and, if notice of the acceleration of said Bonds shall have been given thereof, by Mail to all holders of Outstanding Bonds; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon or the rights of holders of any other series of Bonds.

It is the intent of the Authority that an event of default with respect to Subordinate Indebtedness shall not in itself create the right to declare an Event of Default with respect to any Senior Bonds or Junior Bonds and no provision of this Agreement shall be construed to allow such result.

SECTION 9.02. Remedies. Upon the occurrence and continuance of any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written request of the obligor under any Credit Facility ensuring the payment of principal of and interest on a series of Bonds in respect of which an Event of Default has occurred or the holders of not less than 25% in principal amount of the Bonds of any series then Outstanding and receipt of indemnity to its satisfaction, shall, in its own name and as the Trustee of an express trust:

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the holders of said Bonds, and require the Authority, or the obligor under any Credit Facility ensuring the payment of principal of and interest on any Bonds to carry out any agreements with or for the benefit of the holders of said Bonds and to perform its or their duties under the Act, any Credit Facility and this Agreement;
- (b) bring suit upon said Bonds; or
- (c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the holders of said Bonds.

SECTION 9.03. Restoration to Former Position. In the event that any proceeding taken by the Trustee to enforce any right under this Agreement shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the Authority, the Trustee and the holders of the Bonds shall be restored, subject to any determination in such proceeding, to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

SECTION 9.04. Obligors' Right under Credit Facility or Holders' Right to Direct Proceedings. Anything in this Agreement

to the contrary notwithstanding, the holders of a majority in principal amount of the Bonds then Outstanding hereunder with respect to which an Event of Default has occurred shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under this Agreement or exercising any trust or power conferred on the Trustee by this Agreement; provided, however, that the obligor under any Credit Facility shall have no such rights, as a holder of Bonds or a deemed holder of Bonds, in respect of proceedings taken by holders of Bonds against such obligor. For purposes of this Section, an obligor under any Credit Facility ensuring the payment of principal of and interest on any Bonds shall be deemed the holder of those Bonds, absent a default in the obligations of the obligor of that Credit Facility under the Credit Facility, unless the applicable Supplemental Agreement provides to the contrary.

SECTION 9.05. Limitation on Holders' Right to Institute Proceedings. No holder of a Bond of any series shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power hereunder, or any other remedy hereunder or on said Bonds, unless such holder previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless the holders of not less than 25% in principal amount of the Bonds then Outstanding of such series shall have made written request of the Trustee so to do, after the right to institute said suit, action or proceeding shall have accrued and is continuing and shall have afforded the Trustee sixty (60) days to proceed to institute the same in either its or their name, and unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby (including reasonable counsel fees and expenses), and the Trustee shall not have complied with such request within sixty (60) days after receipt of the request (provided no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the holders of a majority in principal amount of the Outstanding Bonds of such series); and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the institution of said suit, action or proceeding; it being understood and intended that no one or more of the holders of the Bonds of such series shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Agreement, or to enforce any right hereunder or under the Bonds, except in the manner herein provided, and that all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of the Bonds of such series. In any event, no one or more holders of Bonds of any series shall

have any right in any manner whatever by virtue of this Agreement to affect, disturb or prejudice the rights of any other holder of Bonds of any series or to obtain priority or preference over any other holder or to enforce any right under this Agreement except in the manner or to the extent herein provided and with respect to any series, for the equal and ratable benefit of all holders of Bonds of that series.

SECTION 9.06. No Impairment of Right to Enforce Payment. Notwithstanding any other provision in this Agreement, the right of any holder of a Bond of any series to receive payment of the principal of and premium, if any, and interest on such Bond, on or after the respective due dates expressed therein, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder.

SECTION 9.07. Proceedings by Trustee without Possession of Bonds. All rights of action under this Agreement or under any of the Bonds secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof in the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the holders of the Bonds, subject to the provisions of this Agreement.

SECTION 9.08. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the holders of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder, or under any Credit Facility, or now or hereafter existing at law or in equity or by statute.

SECTION 9.09. No Waiver of Remedies. No delay or omission of the Trustee or of any holder of a Bond to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article IX to the Trustee and to the holders of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

SECTION 9.10. Application of Money. Any money received by the Trustee or by any holder of a Bond pursuant to any right given or action taken under the provisions of this Article IX, after payment of the costs and expenses of the proceedings resulting in the collection of such money and of the expenses, liabilities and advances incurred or made by the Trustee (including reasonable counsel fees and expenses), and the payment and setting aside of reasonable and necessary amounts

to meet Turnpike Operating Expenses as determined by a firm of Engineering Consultants, shall be deposited in the Debt Service Fund for such series of Bonds and all money so deposited in the Debt Service Fund for such series of Bonds during the continuance of an Event of Default (other than money for the payment of Bonds which had matured or otherwise become payable prior to such Event of Default) shall be applied as follows with respect to each series of Bonds (provided, however, that any drawing by the Trustee under a Credit Facility for the payment of principal of, or premium, if any, or interest on the Bonds shall be applied only to the payment of the principal of or premium, if any, or interest on the particular Bonds identified in the applicable Credit Facility):

- (a) Under and subject to the provisions of Section 7.22 of this Agreement, to the Rebate Account in an amount, together with any other amounts on deposit or credited to such account, sufficient to meet the Authority's obligation to make payments to the United States of America as required under Section 148 of the Code.
- (b) Unless the principal of all the Bonds shall have become due and payable, all such money shall be applied (i) first, to the payment to the persons entitled thereto of all installments of interest then due on Senior Bonds, with interest on overdue installments of interest then due on such Bonds, if lawful, at the rate per annum borne by such Bonds, in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment; (ii) second, to the payment to the persons entitled thereto of the unpaid principal of any Senior Bonds which shall have become due (other than such Bonds called for redemption for the payment of which money is held pursuant to the provisions of this Agreement), with interest on such Bonds at their rate from the respective dates upon which they became due and, if the amount available shall not be sufficient to pay in full such Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege; (iii) third, to the payment to the persons entitled thereto of all installments of interest then due on Junior Bonds, with interest on overdue installments of interest

then due on such Bonds, if lawful, at the rate per annum borne by such Bonds, in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment; (iv) fourth, to the payment to the persons entitled thereto of the unpaid principal of any Junior Bonds which shall have become due (other than such Bonds called for redemption for the payment of which money is held pursuant to the provisions of this Agreement), with interest on such Bonds at their rate from the respective dates upon which they become due and, if the amount available shall not be sufficient to pay in full such Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege; provided, however, that money derived from the rights of the Trustee under a Credit Facility shall not be applied to the payment of the principal of or premium, if any, or interest on any Bonds held of record by the Authority, by the obligor under a Credit Facility or by any Tender Agent or other person for the account of the Authority or other person if a Credit Facility prohibits by its terms a drawing thereunder for such purpose.

- (c) If the principal of all Senior Bonds shall have become due and payable, all such money shall be applied first to the payment of the principal and interest then due and unpaid upon Senior Bonds, with interest on overdue interest and principal, as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Senior Bond over any other Senior Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege; and (ii) second, to the payment of the principal and interest then due and unpaid upon Junior Bonds whether or not the principal of all Junior Bonds shall have become due and payable, with interest on overdue interest and principal, as aforesaid, without preference or priority of principal over interest or of interest over any other installment of interest, or of any Junior Bond over any other

Junior Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege; provided, however, that money derived from the rights of the Trustee under a Credit Facility shall not be applied to the payment of the principal of or premium, if any, or interest on Bonds held of record by the Authority, by the obligor under a Credit Facility or by any Tender Agent for the account of the Authority if the applicable Credit Facility prohibits by its terms a drawing thereunder for such purpose.

- (d) If the principal of all Junior Bonds shall have become due and payable and there are no Senior Bonds Outstanding all such money shall be applied as set forth in clauses (b)(iii) and (b)(iv) of this Section.
- (e) If the principal of all the Bonds of a series shall have come due and payable, and if acceleration of the maturity of said Bonds by reason of such Event of Default shall thereafter have been rescinded and annulled under the provisions of this Article IX, then, subject to the provisions of clause (c) of this Section 9.10 which shall be applicable in the event that the principal of all the Bonds shall later become due and payable, the money shall be applied in accordance with the provisions of clause (b) of this Section 9.10.

SECTION 9.11. Severability of Remedies. It is the purpose and intention of this Article IX to provide rights and remedies to the Trustee and the holders of the Bonds which may be lawfully granted under the provisions of the Act, but should any right or remedy herein granted be held to be unlawful, the Trustee and the holders of the Bonds shall be entitled, as above set forth, to every other right and remedy provided in this Agreement and by law or equity.

ARTICLE X

Trustee; Paying Agent and
Co-Paying Agents; Registrar

SECTION 10.01. Acceptance of Trusts. The Trustee hereby accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article X, to all of which the Authority agrees and the respective holders

of the Bonds agree by their acceptance of delivery of any of the Bonds. By accepting and agreeing to act as Trustee for holders of Senior Bonds and/or Junior Bonds, the Trustee is agreeing to act for holders of Bonds of all series of Senior Bonds and/or Junior Bonds, as the case may be, subject to the rights of the Trustee to resign and be discharged of the trusts created by this Agreement.

SECTION 10.02. No Responsibility for Recitals. The recitals, statements and representations contained in this Agreement or in the Bonds, save only the Trustee's authentication upon the Bonds, are not made by the Trustee, and the Trustee does not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

SECTION 10.03. Limitations on Liability. The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, receivers, or employees, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent, or employee selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under this Agreement or for anything whatsoever in connection with the trust created hereby, except only for its own negligence, wilful misconduct or bad faith or for failure to exercise reasonable care in the selection of any attorney, agent or employee acting hereunder. The Trustee shall notify the Authority before selecting any agent to act on behalf of the Trustee in order to permit the Authority reasonable opportunity to join in any contract with such agent.

SECTION 10.04. Compensation, Expenses and Advances. The Trustee for each series of Bonds, any authenticating agent, the Paying Agent and any Co-Paying Agent, the Registrar, any Tender Agent and any Remarketing Agent under this Agreement, subject to the provisions of any contract between the Authority and any such person, shall be entitled to reasonable compensation for their services rendered hereunder (not limited by any provision of law regarding the compensation of the trustee of an express trust) and to reimbursement for their actual out-of-pocket expenses (including reasonable counsel fees and expenses) reasonably incurred in connection therewith. The Authority shall, from the Receipts and Revenues of the Authority, indemnify and save the Trustee harmless against any liabilities which the Trustee may incur in the exercise and performance of its powers and duties hereunder, except for liabilities arising out of the negligence, wilful misconduct or bad faith of the Trustee. If the Authority shall fail to perform any of the covenants or agreements contained in this Agreement other than the covenants or agreements in respect of the payment of the principal of and premium, if any, and interest on each Bond, the

Trustee for the applicable series of Bonds may, in its uncontrolled discretion and without notice to the holders of Bonds of such series, at any time and from time to time, make advances to effect performance of the same on behalf of the Authority, but such Trustee shall be under no obligation so to do; and any and all such advances may bear interest at a rate per annum not exceeding the prime rate then in effect for 90-day commercial loans by such Trustee in the city in which is located the Principal Office of the Trustee; but no such advance shall operate to relieve the Authority from any default hereunder. The Authority hereby agrees to pay to each Trustee, any authenticating agent, the Paying Agent and any Co-Paying Agent, the Registrar, any Tender Agent and any Remarketing Agent, such compensation and reimbursement of expenses and advances, but the Authority may, after making satisfactory provisions for the performance of the duties of any such person, without creating a default hereunder, contest in good faith the reasonableness of any such services, expenses and advances. If the Authority shall have failed to make any payment to a Trustee under this Agreement and such failure shall have resulted in an Event of Default under this Agreement, such Trustee shall have, in addition to any other rights hereunder, a claim, prior to the claim of the holders of Bonds for which such Trustee is acting, for the payment of its compensation and the reimbursement of its expenses and any advances made by it (including reasonable counsel fees and expenses), as provided in this Section 10.04, other than upon the moneys and obligations deposited with or paid to such Trustee for the redemption or payment of Bonds which are deemed to have been paid in accordance with Article VIII hereof; and provided, further, that, so long as a Credit Facility is in effect with respect to the payment of principal of and interest on any series of Bonds, such Trustee shall have no such claim upon any moneys or obligations in the Debt Service Fund, unless, after satisfaction of such claim, there shall remain in the Debt Service Fund for said Bonds moneys sufficient to pay all amounts then due in respect of said Bonds; and provided further that no Trustee for holders of one or more series of Bonds shall have a lien on any money held to pay principal or interest on any series of Bonds for which it is not Trustee for holders of Bonds of such series, subject to the other provisions of this Agreement.

SECTION 10.05. Notice of Event of Default. The Trustee shall not be required to take notice, or be deemed to have notice, of any default or Event of Default under this Agreement (i) other than an Event of Default under clause (a), (b) or (c) of the first paragraph of Section 9.01 hereof, or (ii) unless an officer of the Trustee assigned by the Trustee to administer its corporate trust matters has been specifically notified in writing of such default or Event of Default by holders of at least 25% in principal amount of the Bonds then Outstanding of any series, by the Authority, by the obligor under

a Credit Facility ensuring payment of principal or interest on any series of Bonds, by a Tender Agent or in the case of an Event of Default under clause (h) or (i) of the first paragraph of Section 9.01 hereof, by any holder. The Trustee may, however, at any time, in its discretion, require of the Authority full information and advice as to the performance of any of the covenants, conditions and agreements contained herein.

SECTION 10.06. Action by Trustee. The Trustee shall be under no obligation to take any action in respect of any default or Event of Default hereunder with respect to Bonds of any series other than an Event of Default described in clause (f) of Section 9.01 hereof, or toward the execution or enforcement of any of the trusts hereby created, or to institute, appear in or defend any suit or other proceeding in connection therewith, unless requested in writing so to do by holders of at least 25% in principal amount of the Outstanding Bonds of such series and, if in its opinion such action may tend to involve it in expense or liability, unless furnished, from time to time as often as it may reasonably require, with security and indemnity satisfactory to it (including reasonable counsel fees and expenses); but the foregoing provisions are intended only for the protection of the Trustee, and shall not affect any discretion or power given by any provisions of this Agreement to the Trustee to take action in respect to any default or Event of Default without such notice or request from the holders of Bonds or the obligor under a Credit Facility or without such security or indemnity.

SECTION 10.07. Good-Faith Reliance. The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, telex, facsimile transmission, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board, body or person or to have been prepared and furnished pursuant to any of the provisions of this Agreement, or upon the written opinion of any attorney, engineer, accountant or other expert believed by the Trustee to be qualified in relation to the subject matter, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

SECTION 10.08. Dealings in Bonds and with the Authority. The Trustee, any authenticating agent, the Paying Agent, any Co-Paying Agent, the Registrar, any Tender Agent or Remarketing Agent, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Bonds, and may join in any action which any holder of a Bond may be entitled to take with like effect as if it did not act in any capacity hereunder.

The Trustee, the Paying Agent, any Co-Paying Agent, the Registrar, any Tender Agent or any Remarketing Agent in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Authority, and may act as depository, trustee, or agent for any committee or body of the holders of the Bonds secured hereby or other obligations of the Authority as freely as if it did not act in any capacity hereunder.

SECTION 10.09. Allowance of Interest. The Trustee shall allow and credit interest upon any moneys which it may at any time receive under any of the provisions of this Agreement, at such rate as it customarily allows upon similar funds of similar size and under similar conditions in the absence of any agreement with the Authority regarding interest payable upon any such moneys. All interest allowed on any such moneys shall be credited as provided in Articles IV, V and VI with respect to interest on investments.

SECTION 10.10. Construction of Agreement. The Trustee may construe any of the provisions of this Agreement insofar as the same may appear to be ambiguous or inconsistent with any other provision of this Agreement, and any construction of any provisions of this Agreement by the Trustee in good faith shall be binding upon the holders of the Bonds for which such Trustee is acting.

SECTION 10.11. Resignation of Trustee. The Trustee, or any trustee or trustees hereafter appointed for the holders of Senior Bonds and/or Junior Bonds, may resign and be discharged of the trusts created by this Agreement by executing an instrument in writing resigning such trust and specifying the date when such resignation shall take effect, and filing the same with the Director, not less than sixty (60) days before the date specified in such instrument when such resignation shall take effect, and by giving notice of such resignation by Publication at least once a week for two consecutive weeks, the first publication of said notice to appear not less than three weeks prior to the date specified in such notice when such resignation shall take effect, and by Mail, not less than three weeks prior to such resignation date, to all holders of Bonds for which such resignation shall be effective. Such resignation shall take effect on the later to occur of (i) the day specified in such instrument and notice, unless previously a successor Trustee shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Trustee, and (ii) the appointment of a successor Trustee.

SECTION 10.12. Removal of Trustee. The Trustee for holders of Senior Bonds and/or the Trustee for the holders of Junior Bonds may be removed at any time by filing with the Trustee so removed, and with the Authority, any Tender Agent and

any Remarketing Agent for such Bonds, an instrument or instruments in writing, appointing a successor, or an instrument or instruments in writing, consenting to the appointment by the Authority of a successor and accompanied by an instrument of appointment by the Authority of such successor, and in any event executed by the holders of not less than a majority in principal amount of the Senior Bonds and/or Junior Bonds then Outstanding, as the case may be, of the series for which the Trustee is being removed, such filing to be made by any holder of a Senior Bond and/or a Junior Bond, as the case may be, or his duly authorized attorney.

SECTION 10.13. Appointment of Successor Trustee. In case at any time the Trustee for holders of Senior Bonds and/or Junior Bonds shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and by virtue of that event exist in the office of Trustee for holders of such Bonds and a successor may be appointed, and in case at any time the Trustee for holders of Senior Bonds and/or Junior Bonds shall resign, then a successor may be appointed, by filing with the Authority, any Tender Agent and any Remarketing Agent for such Bonds an instrument in writing, executed by holders of not less than a majority in principal amount of Outstanding Bonds for whom such successor Trustee is to be appointed, together with an instrument executed by the obligor of any Credit Facility ensuring payment of principal of and interest on such Bonds or a series of such Bonds (if the Credit Facility requires such approval) wherein the appointment of such successor shall be approved. Copies of such instrument shall be promptly delivered by the Authority to the predecessor Trustee and to the Trustee so appointed.

Until a successor Trustee shall be appointed by the holders of such Bonds as herein authorized, the Authority, by an instrument authorized by resolution of the Director, shall appoint a successor Trustee. After any appointment by the Authority, it shall cause notice of such appointment to be given by Publication once in each of two consecutive weeks, and by Mail to all holders of Bonds for whom such Trustee is appointed. Any new Trustee so appointed by the Authority shall immediately and without further act be superseded by a Trustee appointed by the holders of said Bonds in the manner above provided.

SECTION 10.14. Qualifications of Successor Trustee. Every successor Trustee, or any trustee or trustees hereafter appointed for the holders of any Bonds, (a) shall be a bank or trust company duly organized under the laws of the United States or any state or territory thereof authorized by law to perform all the duties imposed upon it by this Agreement and (b) shall have a combined capital stock, surplus and undivided profits of

at least \$75,000,000 if there can be located, with reasonable effort, such an institution willing and able to accept the trust on reasonable and customary terms.

SECTION 10.15. Judicial Appointment of Successor Trustee. In case at any time the Trustee, or any trustee or trustees hereafter appointed for the holders of Senior Bonds and/or Junior Bonds, shall resign and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Article X prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Trustee may forthwith apply to a court of competent jurisdiction for the appointment of a successor Trustee. If no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Article X within six months after a vacancy shall have occurred in the office of Trustee, any holder of a Bond of the series of Bonds for which the vacancy has occurred may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

SECTION 10.16. Acceptance of Trusts by Successor Trustee. (a) Any successor Trustee appointed hereunder for holders of all Outstanding Bonds shall execute, acknowledge and deliver to the Authority an instrument supplemental to this Agreement accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named Trustee herein. Upon request of such Trustee, such predecessor Trustee and the Authority shall execute and deliver an instrument supplemental to this Agreement transferring to such successor Trustee all the estates, property, rights, powers and trusts hereunder of such predecessor Trustee and, subject to the provisions of Section 10.04 of this Agreement, such predecessor Trustee shall pay over to the successor Trustee all moneys and other assets at the time held by it under this Agreement.

(b) Any successor Trustee appointed hereunder for holders of Senior Bonds but not for holders of Junior Bonds, or for Junior Bonds, but not for holders of Senior Bonds and the retiring Trustee shall execute and deliver an instrument supplemental to this Agreement in which (i) each successor Trustee shall accept such appointment; (ii) provisions will be made as shall be necessary or desirable to transfer and confirm to, and to rest in, each such successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Bonds to which the appointment of such successor Trustee relates, (iii) if the retiring Trustee is not retiring with

respect to all Bonds, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Bonds as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (iv) shall add to or change any of the provisions of this Agreement as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such Supplemental Agreements shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee. Upon the execution and delivery of such Supplemental Agreement, the resignation or removal of the retiring Trustee shall become effective to the extent provided therein, and each such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Bonds of that or those series to which the appointment of such successor Trustee relates. Upon the request of any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Bonds of that or those series to which the appointment of such successor Trustee relates.

SECTION 10.17. Successor by Merger or Consolidation. Any corporation into which any Trustee hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, shall be the successor Trustee under this Agreement, without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Agreement to the contrary notwithstanding.

SECTION 10.18. Standard of Care. (a) Notwithstanding any other provisions of this Article X, the Trustee shall, during the existence of an Event of Default of which the Trustee has actual notice, exercise such of the rights and powers vested in it by this Agreement and use the same degree of skill and care in their exercise as a prudent man would use and exercise under the circumstances in the conduct of his own affairs.

(b) Upon a request in writing from a holder of any Bond asking for the list of holders of Bonds on the bond register, and upon payment by such holder of Bonds of any expenses of the Trustee in responding to such request, the Trustee may forward a list of the holders to such holder.

(c) With respect to any Bonds held in the name of The Depository Trust Company or any similar securities depository ("DTC") for purposes of establishing a book-entry issue, the

Trustee shall have no responsibility or liability for any action or inaction by DTC or any of its participants or nominees in connection with such Bonds.

(d) The Trustee shall be under no obligation to see that any duties imposed upon the Paying Agent, the Co-Paying Agent, the Registrar, the Tender Agent, the Remarketing Agent or any other agent of the Authority, or the covenants herein contained on the part of any such entity to be performed, shall be done or performed, unless the Trustee has been appointed, and accepted appointment, to act in such capacity or has selected any such agent to act as the agent of the Trustee.

SECTION 10.19. Notice to Owners of Event of Default. If an Event of Default occurs of which the Trustee has notice within the meaning of Section 10.05 hereof and any such Event of Default shall continue for at least two days after the Trustee has notice thereof within the meaning of Section 10.05 hereof, unless the Trustee shall have theretofore given a notice of acceleration pursuant to Section 9.01 hereof, the Trustee shall give prompt notice thereof to the Authority, any Tender Agent, any Remarketing Agent and any obligor under a Credit Facility and give notice by Publication and by Mail to all holders of Outstanding Bonds for which it is acting as Trustee. Such Trustee shall also give notice of any Event of Default to any other Trustee appointed pursuant to this Agreement and such Trustee shall likewise give prompt notice to all holders of Outstanding Bonds for which it is acting as Trustee.

SECTION 10.20. Intervention in Litigation of the Authority. In any judicial proceeding to which the Authority is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of the holders of the Bonds, the Trustee may intervene on behalf of the holders of the Bonds for which the Trustee is acting, and shall, upon receipt of indemnity satisfactory to it (including reasonable counsel fees and expenses), do so if requested in writing by the holders of at least 25% in principal amount of such Bonds then Outstanding if permitted by the court having jurisdiction in the premises.

SECTION 10.21. Paying Agent; Co-Paying Agents; Depository. The Authority shall appoint the Paying Agent for the Bonds and may at any time or from time to time appoint one or more Co-Paying Agents for a series of Bonds and one or more Depositories for the receipt of Revenues and Receipts pledged to the Trustee under this Agreement, subject to the conditions set forth in Section 10.22 hereof. The Paying Agent and each Co-Paying Agent and Depository shall designate to the Trustee its Principal Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Authority and the Trustee in which

such Paying Agent, Co-Paying Agent or Depositary will agree, particularly:

- (a) in the case of the Paying Agent and any Co-Paying Agent to hold all sums held by it for the payment of the principal of and premium, if any, or interest on the applicable series of Bonds in trust for the benefit of the holders of such Bonds until such sums shall be paid to such holders or otherwise disposed of as herein provided;
- (b) to keep such books and records as shall be consistent with prudent industry practice, to make such books and records available for inspection by the Authority and the Trustee at all reasonable times and, in the case of a Co-Paying Agent, to furnish promptly copies of such books and records to the Paying Agent;
- (c) in the case of a Co-Paying Agent upon the request of the Paying Agent, to deliver forthwith to the Paying Agent all sums so held in trust by such Co-Paying Agent; and
- (d) in the case of a Depositary, to furnish promptly copies of books and records kept pursuant to Section 10.21(b) of this Agreement to the Trustee and upon request of the Trustee, to deliver forthwith all sums so held in trust by such Depositary.

The Authority shall cooperate with the Trustee to cause the necessary arrangements to be made and to be thereafter continued whereby Receipts and Revenues of the Authority will be made available for the payment when due of the Bonds as presented at the Principal Offices of the Paying Agent and the Co-Paying Agents.

SECTION 10.22. Qualifications of Paying Agent, Co-Paying Agents and Depositary; Resignation; Removal. The Paying Agent, any Co-Paying Agent and any Depositary shall be a corporation duly organized under the laws of the United States of America or any state or territory thereof, having a combined capital stock, surplus and undivided profits of at least \$15,000,000 and authorized by law to perform all the duties imposed upon it by this Agreement; provided that, if such corporation shall not be a bank or trust company, its long-term debt or that of its parent shall have a Moody's rating not lower than Baa3 or the equivalent thereof. The Paying Agent, any Co-Paying Agent and any Depositary may at any time resign and be discharged of the duties and obligations created by this Agreement by giving at least sixty (60) days' notice to the

Authority and the Trustee. The Paying Agent, any Co-Paying Agent and any Depositary may be removed at any time, at the direction of the Authority, filed with the Paying Agent, such Co-Paying Agent or such Depositary, as the case may be, and with the Trustee.

In the event of the resignation or removal of the Paying Agent, any Co-Paying Agent or any Depositary, the Paying Agent, such Co-Paying Agent or such Depositary, as the case may be, shall pay over, assign and deliver any moneys held by it in such capacity to its successor or, if there be no successor, to the Trustee.

In the event that the Authority shall fail to appoint a Paying Agent or a Depositary hereunder, or in the event that the Paying Agent or a Depositary shall resign or be removed, or be dissolved, or if the property or affairs of the Paying Agent or of a Depositary shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Authority shall not have appointed its successor as Paying Agent or Depositary, as the case may be, the Trustee shall by virtue of such event be deemed to be the Paying Agent or Depositary, as the case may be, for all purposes of this Agreement until the appointment by the Authority or the Paying Agent, successor Paying Agent or Depositary, as the case may be.

Upon the appointment of a successor Paying Agent, the Trustee shall give notice thereof by Publication and by Mail to all holders of Bonds.

SECTION 10.23. Registrar. The Authority shall appoint the Registrar for the Bonds, subject to the conditions set forth in Section 10.24 hereof. The Registrar shall designate to the Trustee its Principal Office and signify its acceptance of the duties imposed upon it hereunder by a written instrument of acceptance delivered to the Authority and the Trustee in which such Registrar will agree, particularly, to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Authority and the Trustee at all reasonable times.

The Authority shall cooperate with the Trustee to cause the necessary arrangements to be made and to be thereafter continued whereby Bonds, executed by the Authority and authenticated by the Trustee, shall be made available for exchange, registration and registration of transfer at the Principal Office of the Registrar. The Authority shall cooperate with the Trustee and the Registrar to cause the necessary arrangements to be made and thereafter continued whereby the Paying Agent, any Co-Paying Agent, any Tender Agent and any Remarketing Agent shall be furnished such records and other

information at such times as shall be required to enable the Paying Agent, such Co-Paying Agent, any Tender Agent and any Remarketing Agent to perform the duties and obligations imposed upon them under this Agreement. The Authority may appoint more than one Registrar for the Bonds but only one Registrar for each series of Bonds.

SECTION 10.24. Qualifications of Registrar; Resignation; Removal. The Registrar shall be a corporation duly organized under the laws of the United States of America or any state or territory thereof, having a combined capital stock, surplus and undivided profits of at least \$15,000,000 and authorized by law to perform all the duties imposed upon it by this Agreement. The Registrar may at any time resign and be discharged of the duties and obligations created by this Agreement by giving at least sixty (60) days' notice to the Authority and the Trustee. The Registrar may be removed at any time, at the direction of the Authority filed with the Registrar and the Trustee.

In the event of the resignation or removal of the Registrar, the Registrar shall deliver any Bonds held by it in such capacity to its successor or, if there be no successor, to the Trustee.

In the event that the Authority shall fail to appoint a Registrar hereunder, or in the event that the Registrar shall resign, be removed, or be dissolved, or if the property or affairs of the Registrar shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Authority shall not have appointed its successor as Registrar, the Trustee shall by virtue of such event be deemed to be the Registrar for all purposes of this Agreement, until the appointment by the Authority of the Registrar or successor Registrar, as the case may be.

Upon the appointment of a successor Registrar, the Trustee shall give notice thereof by Publication and by Mail to all holders of Bonds for whom such Registrar was acting.

Upon the written request of the holder of any Bond asking for the list of holders of Bonds on the Bond register, and upon payment by such holder of any expense of the Registrar in responding to such request, the Registrar may forward a list of the holders to such holder.

SECTION 10.25. Several Capacities. Anything herein to the contrary notwithstanding, the same entity may serve hereunder as the Trustee, the Paying Agent or a Co-Paying Agent, the Registrar, any Tender Agent and any Remarketing Agent, and in any combination of such capacities to the extent permitted by law.

ARTICLE XI

Execution of Instruments by Holders of Bonds and Proof of Ownership of Bonds

SECTION 11.01. Execution of Instruments; Proof of Ownership. Any request, direction, consent or other instrument in writing, whether or not required or permitted by this Agreement to be signed or executed by the holders of the Bonds, may be in any number of concurrent instruments of similar tenor and may be signed or executed by the holders of the Bonds in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Agreement and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

- (a) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments within such jurisdiction, to the effect that the person signing such instrument acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.
- (b) The ownership of Bonds shall be proved by the registration books kept by the Registrar.

Nothing contained in this Article XI shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of matters herein stated which it may deem sufficient. Any request or consent of any holder of a Bond shall bind every future holder of the same Bond or any Bond or Bonds issued in lieu thereof in respect of anything done by the Trustee or the Authority in pursuance of such request or consent.

ARTICLE XII

Modification of This Agreement

SECTION 12.01. Limitations. This Agreement shall not be modified or amended in any respect subsequent to the first issuance of the Bonds except as provided in and in accordance with and subject to the provisions of this Article XII.

SECTION 12.02. Supplemental Agreements without Consent of Holders of Bonds. The Authority and the Trustee may, from time to time and at any time, without the consent of or notice to the holders of the Bonds, enter into Supplemental Agreements as follows:

- (a) to cure any formal defect, omission, inconsistency or ambiguity in this Agreement;
- (b) to grant to or confer or impose upon the Trustee for the benefit of the holders of the Bonds any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with this Agreement as theretofore in effect;
- (c) to add to the covenants and agreements of, and limitations and restrictions upon, the Authority in this Agreement, other covenants, agreements, limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with this Agreement as theretofore in effect, including, but not limited to, agreements to pledge Additional Revenues to the Trustee for the benefit of the holders of the Bonds;
- (d) to confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by, this Agreement, of the Receipts and Revenues of the Authority pledged or to be pledged under this Agreement or of any other moneys, securities or funds;
- (e) to authorize the issuance of additional Bonds pursuant to this Agreement, to authorize a different denomination or denominations of the Bonds or to permit the issuance of the Bonds in the form of coupon Bonds and to make correlative amendments and modifications to this Agreement regarding exchangeability of Bonds of different denominations and forms, redemptions of portions of Bonds of particular denominations and forms and similar amendments and modifications of a technical nature;
- (f) to modify, alter, amend or supplement this Agreement in any and all respects which may be necessary, desirable or appropriate in connection with any supplement to this Agreement relating to the priority of sources of funds derived from a

Credit Facility to be used for the payment of the principal of and premium, if any, and interest on the Bonds, changes to the provisions relating to the priority of sources of funds derived from a Credit Facility to be used for the purchase of Bonds and, changes to the default provisions referred to in Section 9.01(c) or (f);

- (g) to modify, alter, supplement or amend this Agreement in such manner as shall permit the qualification hereof under the Trust Indenture Act of 1939, as from time to time amended;
- (h) to modify, alter, supplement or amend this Agreement in such manner as shall be necessary, desirable or appropriate in order to provide for the registration and registration of transfer of the Bonds through a book-entry or similar method, whether or not the Bonds are evidenced by certificates;
- (i) to provide a method for the determination of a Short-Term Rate; and
- (j) to modify, alter, amend or supplement this Agreement in any other respect which is not materially adverse to the holders of the Bonds and which does not involve a change described in clause (i), (ii), (iii) or (iv) of Section 12.03(a) of this Agreement.

Before the Authority and the Trustee shall enter into any Supplemental Agreement pursuant to this Section 12.02, there shall have been delivered to the Trustee an opinion of Bond Counsel stating that such Supplemental Agreement is authorized or permitted by this Agreement and the Act, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and does not adversely affect the exclusion from gross income of the interest on the Bonds for purposes of Federal income taxation.

SECTION 12.03. Supplemental Agreements with Consent of Holders of Bonds. (a) Except for any Supplemental Agreement entered into pursuant to Section 12.02 hereof, subject to the terms and provisions contained in this Section 12.03 and not otherwise, the holders of not less than fifty-one (51) percent in aggregate principal amount of the Bonds then outstanding which would be adversely affected thereby shall have the right from time to time to consent to and approve the execution and delivery by the Authority and the Trustee of any Supplemental Agreement deemed necessary or desirable by the Authority for the purposes

of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in this Agreement; provided, however, that, unless approved in writing by the holders of all the Bonds then Outstanding which would be adversely affected thereby, nothing herein contained shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of or premium, if any, or interest on any Outstanding Bond, a change in the purchase price or time of purchase of Bonds put pursuant to the terms thereof, a reduction in the principal amount or redemption price of any Outstanding Bond or a change in the method of determining the rate of interest thereon, or (ii) the creation of a claim or lien upon, or a pledge of, the Receipts and Revenues of the Authority pledged under this Agreement ranking prior to or on a parity with the claim, lien or pledge created by this Agreement, or (iii) a preference or priority of any other Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of Bonds the consent of the holders of the Bonds of which is required for any such Supplemental Agreement.

(b) If at any time the Authority shall request the Trustee to enter into any Supplemental Agreement for any of the purposes of this Section 12.03, the Trustee shall cause notice of the proposed Supplemental Agreement to be given by Publication at least once a week for two successive weeks, and by Mail to all holders of Outstanding Bonds. Such notice shall briefly set forth the nature of the proposed Supplemental Agreement and shall state that a copy thereof is on file at the office of the Trustee for inspection by all holders of Bonds.

(c) Within two years after the date of the first publication of such notice, the Authority and the Trustee may enter into such Supplemental Agreement in substantially the form described in such notice only if there shall have first been delivered to the Trustee (i) the required consents, in writing, of the holders of the Bonds and (ii) an opinion of Bond Counsel stating that such Supplemental Agreement is authorized or permitted by this Agreement and the Act, complies with their respective terms and, upon the execution and delivery thereof, will be valid and binding upon the Authority in accordance with its terms and will not adversely affect the exclusion from gross income of the interest on the Bonds for purposes of Federal income taxation.

(d) If the holders of not less than the percentage of Bonds required by this Section 12.03 shall have consented to and approved the execution and delivery thereof as herein provided, no holder of a Bond shall have any right to object to the execution and delivery of such Supplemental Agreement, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety

of the execution and delivery thereof, or to enjoin or restrain the Authority or the Trustee from executing and delivering the same or from taking any action pursuant to the provisions thereof.

(e) Subject to the terms and provisions contained in this subsection (e) of Section 12.03, the holders of all the Bonds at any time Outstanding shall have the right, and the Authority and the Trustee by their execution and delivery of this Agreement hereby expressly confer upon such holders the right to modify, alter, amend or supplement this Agreement in any respect, including without limitation in respect of the matters described in clauses (i), (ii), (iii) and (iv) of the proviso contained in subsection (a) of this Section 12.03, by delivering to the Authority and the Trustee a written instrument or instruments, executed by or on behalf of such holders, containing a form of Supplemental Agreement which sets forth such modifications, alterations, amendments and supplements, and, upon the expiration of a thirty (30) day period commencing on the date of such delivery during which no notice of objection shall have been delivered by the Authority and the Trustee to such holders at an address specified in such written instrument, such Supplemental Agreement shall be deemed to have been approved and confirmed by the Authority and the Trustee, to the same extent as if actually executed and delivered by the Authority and the Trustee and such Supplemental Agreement shall thereupon become and be for all purposes in full force and effect without further action by the Authority and the Trustee. The foregoing provisions are, however, subject to the following conditions:

(i) no such Supplemental Agreement shall in any way affect the limited nature of the obligations of the Authority under this Agreement as set forth in Sections 2.06 and 7.01 hereof or shall adversely affect any of its rights hereunder;

(ii) no such Supplemental Agreement shall be to the prejudice of the obligor under any Credit Facility, the Paying Agent or any Co-Paying Agent, any Depositary, the Registrar, any Tender Agent, or any Remarketing Agent; and

(iii) there shall have been delivered to the Authority and the Trustee an opinion of Bond Counsel stating that such Supplemental Agreement is authorized or permitted by this Agreement and the Act, complies with their respective terms, will, upon the expiration of the aforesaid thirty (30) day period, be valid and binding upon the Authority in accordance with its terms and will not adversely affect the exclusion from gross income of the interest on the Bonds for the purposes of Federal income taxation.

SECTION 12.04. Effect of Supplemental Agreement. Upon the execution and delivery of any Supplemental Agreement pursuant to the provisions of this Article XII (including the becoming effective of a Supplemental Agreement as provided in Section 12.03(e) hereof), this Agreement shall be, and be deemed to be, modified, altered, amended or supplemented in accordance therewith, and the respective rights, duties and obligations under this Agreement of the Authority, the Trustee and all holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced under this Agreement subject in all respects to such modifications, alterations, amendments and supplements.

ARTICLE XIII

Miscellaneous

SECTION 13.01. Successors of the Authority. In the event of the dissolution of the Authority, all the covenants, stipulations, promises and agreements in this Agreement contained by or on behalf of, or for the benefit of, the Authority shall bind or inure to the benefit of the successors of the Authority from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of the Authority shall be transferred.

SECTION 13.02. Parties in Interest. Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person other than the Authority, the Trustee and the holders of the Bonds any right, remedy or claim under or by reason of this Agreement, this Agreement being intended to be for the sole and exclusive benefit of the Authority, the Trustee and the holders of the Bonds.

SECTION 13.03. Severability. In case any one or more of the provisions of this Agreement or of the Bonds shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Agreement or of such Bonds, and this Agreement and such Bonds shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

SECTION 13.04. No Personal Liability of Authority Officials. No covenant or agreement contained in the Bonds or in this Agreement shall be deemed to be the covenant or agreement of any official, officer, agent, or employee of the Authority in his individual capacity, and neither the Secretary, or the Director nor any official executing the Bonds shall be liable personally

on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 13.05. Bonds Owned by the Authority. (a) In determining whether holders of the requisite aggregate principal amount of Bonds have concurred in any direction, consent or waiver under this Agreement, Bonds which are owned by the Authority (unless the Authority, owns all Bonds which are then Outstanding, determined without regard to this Section 13.05) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only Bonds which the Trustee knows are so owned shall be so disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Authority; provided, however, that Bonds delivered to the obligor under a Credit Facility, or held by a Tender Agent, a Remarketing Agent or other similar person for delivery to a purchaser of such Bonds, shall be regarded as Outstanding for purposes of this Section 13.05. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

(b) Any Bonds acquired by the Authority or by the Tender Agent or any other person on behalf of the Authority shall be deemed Outstanding and shall not be deemed retired until delivered to the Trustee for cancellation.

SECTION 13.06. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Agreement.

SECTION 13.07 Governing Law. The laws of the State of Delaware shall govern the construction and enforcement of this Agreement and of all Bonds issued hereunder.

SECTION 13.08. Notices. Except as otherwise provided in this Agreement, all notices, certificates, requests, requisitions or other communications by the Authority or the Trustee pursuant to this Agreement shall be in writing and shall be sufficiently given and shall be deemed given when mailed by registered mail, postage prepaid, addressed as follows: if to the Authority, at Transportation Administration Building, 2nd Floor, Route 113, Dover, Delaware 19903, Attention: Director; if to the Trustee, at Rodney Square North, Wilmington, DE 19890 Attention: Corporate Trust Administration; and if to the Paying Agent, any Co-Paying Agent, the Registrar, a Depositary, the

Tender Agent, the Remarketing Agent, or any successor or additional Trustee, at the address designated in the acceptance of appointment. Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent hereunder.

SECTION 13.09. Holidays. If the date for making any payment or the date for performance of any act or the exercising of any right, as provided in, or determined in accordance with, this Agreement, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in, or determined in accordance with, this Agreement, and no interest shall accrue for the period after such nominal date. If the last day of any period of grace, as

provided in this Agreement, shall not be a Business Day, the last day of such period of grace shall be deemed to be the next succeeding Business Day.

IN WITNESS WHEREOF, the Delaware Transportation Authority has caused this Agreement to be executed by its Director and approved by the Secretary and its official seal to be impressed hereon, and Wilmington Trust Company has caused this Agreement to be executed in its behalf by one of its Vice Presidents and its corporate seal to be impressed hereon, all as of the day and year first above written.

DELAWARE TRANSPORTATION
AUTHORITY

By Harold A. McHale
Director

Approved:

By Kermit H. Justice
Secretary, Department of
Transportation

WILMINGTON TRUST COMPANY

By Chas P. Jarr
Vice President

Attest:

[Corporate Seal]

By M. Odgers
Assistant Secretary

EXHIBIT A

No. R- _____

\$ _____

(Form of Senior Bond)
(Front Side)
UNITED STATES OF AMERICA

THE STATE OF DELAWARE

DELAWARE TRANSPORTATION AUTHORITY

TRANSPORTATION SYSTEM SENIOR REVENUE BOND

_____ SERIES

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
----------------------	----------------------	----------------------------	--------------

REGISTERED OWNER:

PRINCIPAL SUM: _____ DOLLARS

The DELAWARE TRANSPORTATION AUTHORITY (the "Authority"), a body politic and corporate and public instrumentality of The State of Delaware (the "State"), for value received, hereby promises to pay but only out of the Trust Estate (hereinafter referred to) held under the Trust Agreement (hereinafter defined), to the REGISTERED OWNER named above, or registered assigns or legal representative, on the MATURITY DATE stated above, upon the presentation and surrender hereof the PRINCIPAL SUM stated above and to pay to the REGISTERED OWNER hereof on the applicable record date, solely from the same source, interest on such PRINCIPAL SUM from the date hereof unless such Bond shall be authenticated on or after the first Interest Payment Date (as hereinafter defined) in respect of such interest, in which case, from the Interest Payment Date which shall be, or shall next precede, as the case may be, such date of authentication; and provided, further, that if, as shown by the records of the Trustee (hereinafter defined), interest on this Bond shall be in default, Bonds issued in exchange for this Bond shall bear interest from the date to which interest has been paid in full on

this Bond, or, if no interest shall have been paid on this Bond, from the Original Issue Date of this Bond. Interest shall be paid at the INTEREST RATE stated above per annum, payable on each _____ and _____ (each an "Interest Payment Date") beginning _____, _____, until payment of such principal sum shall have been made. [MAKE PROVISIONS FOR RECORD DATE]

The principal and redemption premium, if any, on this Bond are payable to the REGISTERED OWNER hereof at the principal office of _____, _____, _____, as Paying Agent, or at the principal office of any co-paying agent appointed in accordance with the Trust Agreement at the option of the REGISTERED OWNER hereof. Interest on this Bond is payable by check drawn upon the Paying Agent and mailed to the registered address of the REGISTERED OWNER of this Bond. Payment of the principal of and premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts.

Reference is made to the further provisions of this Bond set forth on the reverse side hereof, which further provisions shall for all purposes have the same effect as if set forth at this same place.

In the event that this Bond is held by or registered in the name of a securities depository or other agent or nominee of a beneficial owner, the beneficial owner is deemed to have agreed, by purchasing a beneficial interest in the Bond, that the Authority shall have no responsibility or liability for any action or inaction by such depository or agent or nominee in connection with this Bond.

THIS BOND AND THE INTEREST AND THE PREMIUM, IF ANY, PAYABLE HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE HELD UNDER THE TRUST AGREEMENT, ALL AS HEREINAFTER MORE FULLY DESCRIBED. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION, AGENCY OR INSTRUMENTALITY THEREOF OTHER THAN THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL, PREMIUM, IF ANY, OR INTEREST ON THIS BOND, NOR ARE THE FAITH AND CREDIT OR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION, AGENCY OR INSTRUMENTALITY THEREOF PLEDGED TO THE PAYMENT OF THE PRINCIPAL, PREMIUM, IF ANY, OR INTEREST ON THIS BOND. THE AUTHORITY HAS NO TAXING POWER.

It is hereby certified that all conditions, acts and things required by the Act (hereinafter defined) or the Trust Agreement to exist, to have happened and to have been performed precedent to, and in the issuance of, this Bond, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Bond have been duly authorized by an agreement supplemental to the Trust Agreement and by a resolution of the Authority duly adopted.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Trust Agreement until the certificate of authentication hereon shall have been duly executed by the Trustee or an authenticating agent thereof.

IN WITNESS WHEREOF, the DELAWARE TRANSPORTATION AUTHORITY has caused this Bond to be executed by the manual or facsimile signature of its Director, acting in his official capacity, and by the manual or facsimile signature of the Secretary, Department of Transportation, acting in his official capacity, and its seal or a facsimile thereof to be hereunto affixed or printed, this ___ day of _____, 19__.

DELAWARE TRANSPORTATION AUTHORITY

Attest:

By: _____
Director

By: _____
Secretary, Department of
Transportation

(SEAL)

(Back Side)

This Bond is one of the duly authorized Transportation System Senior Revenue Bonds ____ Series of the Authority, aggregating _____ Dollars (\$ _____) in principal amount (the "Bonds"), issued under and pursuant to the Constitution and laws of the State, particularly the Delaware Transportation Authority Act, as amended, constituting Chapter 13, Title 2, Del. Code and the Transportation Trust Fund Act, as amended, constituting Chapter 14, Title 2, Del. Code (collectively, the "Act"), and the Trust Agreement, dated as of August 1, 1988, as supplemented (the "Trust Agreement"), between the Authority and Wilmington Trust Company, as trustee (the "Trustee"), to _____.

The Bonds are equally and ratably secured, to the extent provided in the Trust Agreement, by the pledge and assignment thereunder of the Trust Estate, which includes: all right, title and interest of the Trustee in and to the Trust Agreement (except any rights of the Authority to receive notices, certificates, requests, requisitions and other communications thereunder), including without limitation all money paid or payable to the Trustee by the Authority derived from revenues of the Delaware Turnpike, from motor fuel taxes (after satisfying certain other debt of the Authority), motor vehicle document fees and other receipts or revenue which may be pledged and assigned by the Authority to the Trustee and held in funds under the Trust Agreement other than in the Operating Fund, Operating Reserve Fund and Rebate Account, any and all other moneys and obligations (other than Bonds) which at such time are deposited or are required to be deposited with, or are held or are required to be held by or on behalf of, the Trustee, the Paying Agent or any co-paying agent in trust under any of the provisions of the Trust Agreement and all other rights, titles and interests which at such time are subject to the lien of the Trust Agreement, except as provided in the Trust Agreement.

ADDITIONAL BONDS ON A PARITY WITH THE LIEN OF THE BONDS MAY BE ISSUED BY THE AUTHORITY, FROM TIME TO TIME, SUBJECT TO THE CONDITIONS PRECEDENT SET FORTH IN THE TRUST AGREEMENT.

The transfer of this Bond shall be registered upon the registration books kept at the principal office of _____, as Registrar, at the written request of the registered owner hereof or his attorney duly authorized in writing, upon surrender of this Bond at said office, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

The Bonds are issuable as fully registered bonds.

The Bonds are subject to redemption, at the option of the Authority, on or after _____, _____, in whole at any time, or in part, on any Interest Payment Date, in any order selected by the Authority, at the respective redemption prices (expressed as percentages of the principal amounts of the Bonds to be redeemed), as set forth in the following table, plus interest accrued and unpaid to the redemption date:

Redemption Period (Dates Inclusive)	Redemption Price
_____ —, _____ to _____ —, _____	%
_____ —, _____ to _____ —, _____	
_____ —, _____ to _____ —, _____	
_____ —, _____ to _____ —, _____	
_____ —, _____ and thereafter	

If less than all of the Bonds at the time Outstanding are to be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by the Authority, in such manner as the Authority in its discretion may deem proper, in the principal amounts designated by the Authority or otherwise as required by the Trust Agreement.

In the event any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds. Such notice shall be given by mailing a copy of the redemption notice by first-class mail at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the owners of the Bonds to be redeemed at the addresses shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of the Bonds as to which there shall be no such failure or defect.

With respect to any notice of redemption of Bonds unless, upon the giving of such notice such Bonds shall be deemed to have been paid within the meaning of the Trust Agreement, such notice shall state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the opening of business on the date fixed for such redemption of moneys sufficient to pay the principal of and premium, if any, and interest on such Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Authority shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of Bonds so called for redemption at the place or places of payment, such Bonds shall be redeemed.

Any Bonds and portions of Bonds which have been duly selected for redemption or deemed selected for redemption and which are deemed to be paid in accordance with the Trust Agreement shall cease to bear interest on the specified redemption date and shall thereafter cease to be entitled to any lien, benefit or security under the Trust Agreement.

The owner of this Bond shall have no right to enforce the provisions of the Trust Agreement, or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Trust Agreement, or to institute, appear in or defend any suit or proceeding with respect thereto, except as provided in the Trust Agreement.

With certain exceptions as provided therein, the Trust Agreement may be modified or amended only with the consent of the holders of 51% in aggregate principal amount of all Bonds outstanding under the Trust Agreement which would be adversely affected thereby.

Reference is hereby made to the Trust Agreement, copies of which are on file with the Trustee, for the provisions, among others, with respect to the nature and extent of the rights, duties and obligations of the Authority, the Trustee, and the owners of the Bonds. The owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms and provisions of the Trust Agreement.

The Authority, the Trustee, the Registrar, the Paying Agent, and any co-paying agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for all purposes, whether or not this Bond is overdue, and neither the Authority, the Trustee, the Paying Agent nor any co-paying agent shall be affected by any notice to the contrary.

No covenant or agreement contained in this Bond or the Trust Agreement shall be deemed to be a covenant or agreement of any official, officer, agent or employee of the Authority in his individual capacity, nor any official executing this Bond, shall be liable personally on this Bond or be subject to any personal liability or accountability by reason of the issuance or sale of this Bond.

EXHIBIT B

No. R- _____

\$ _____

(Form of Junior Bond)
(Front Side)
UNITED STATES OF AMERICA

THE STATE OF DELAWARE

DELAWARE TRANSPORTATION AUTHORITY

TRANSPORTATION SYSTEM JUNIOR REVENUE BOND

_____ SERIES

INTEREST RATE MATURITY DATE ORIGINAL ISSUE DATE CUSIP

REGISTERED OWNER:

PRINCIPAL SUM: _____ DOLLARS

The DELAWARE TRANSPORTATION AUTHORITY (the "Authority"), a body politic and corporate and public instrumentality of The State of Delaware (the "State"), for value received, hereby promises to pay but only out of the Trust Estate (hereinafter referred to) held under the Trust Agreement (hereinafter defined), to the REGISTERED OWNER named above, or registered assigns or legal representative, on the MATURITY DATE stated above, upon the presentation and surrender hereof the PRINCIPAL SUM stated above and to pay to the REGISTERED OWNER hereof on the applicable record date, solely from the same source, interest on such PRINCIPAL SUM from the date hereof unless such Bond shall be authenticated on or after the first Interest Payment Date (as hereinafter defined) in respect of such interest, in which case, from the Interest Payment Date which shall be, or shall next precede, as the case may be, such date of authentication; and provided, further, that if, as shown by the records of the Trustee (hereinafter defined), interest on this Bond shall be in default, Bonds issued in exchange for this Bond shall bear interest from the date to which interest has been paid in full on this Bond, or, if no interest shall have been paid on this Bond,

from the Original Issue Date of this Bond. Interest shall be paid at the INTEREST RATE stated above per annum, payable on each _____ and _____ (each an "Interest Payment Date") beginning _____, until payment of such principal sum shall have been made. [MAKE PROVISION FOR RECORD DATE]

The principal and redemption premium, if any, on this Bond are payable to the REGISTERED OWNER hereof at the principal office of _____, _____, _____, as Paying Agent, or at the principal office of any co-paying agent appointed in accordance with the Trust Agreement at the option of the REGISTERED OWNER hereof. Interest on this Bond is payable by check drawn upon the Paying Agent and mailed to the registered address of the REGISTERED OWNER of this Bond. Payment of the principal of and premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts.

Reference is made to the further provisions of this Bond set forth on the reverse side hereof, which further provisions shall for all purposes have the same effect as if set forth at this same place.

In the event that this Bond is held by or registered in the name of a securities depository or other agent or nominee of a beneficial owner, the beneficial owner is deemed to have agreed, by purchasing a beneficial interest in the Bond, that the Authority shall have no responsibility or liability for any action or inaction by such depository or agent or nominee in connection with this Bond.

THIS BOND AND THE INTEREST AND THE PREMIUM, IF ANY, PAYABLE HEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE TRUST ESTATE HELD UNDER THE TRUST AGREEMENT, ALL AS HEREINAFTER MORE FULLY DESCRIBED. NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION, AGENCY OR INSTRUMENTALITY THEREOF OTHER THAN THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL, PREMIUM, IF ANY, OR INTEREST ON THIS BOND, NOR ARE THE FAITH AND CREDIT OR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION, AGENCY OR INSTRUMENTALITY THEREOF PLEDGED TO THE PAYMENT OF THE PRINCIPAL, PREMIUM, IF ANY, OR INTEREST ON THIS BOND. THE AUTHORITY HAS NO TAXING POWER.

It is hereby certified that all conditions, acts and things required by the Act (hereinafter defined) or the Trust Agreement to exist, to have happened and to have been performed precedent to, and in the issuance of, this Bond, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Bond have been duly authorized by an agreement supplemental to the Trust Agreement and by a resolution of the Authority duly adopted.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Trust Agreement until the certificate of authentication hereon shall have been duly executed by the Trustee or an authenticating agent thereof.

IN WITNESS WHEREOF, the DELAWARE TRANSPORTATION AUTHORITY has caused this Bond to be executed by the manual or facsimile signature of its Director, acting in his official capacity, and by the manual or facsimile signature of the Secretary, Department of Transportation, acting in his official capacity, and its seal or a facsimile thereof to be hereunto affixed or printed, this ___ day of _____, 19__.

DELAWARE TRANSPORTATION AUTHORITY

Attest:

By: _____
Director

By: _____
Secretary, Department of
Transportation

(SEAL)

(Back Side)

This Bond is one of the duly authorized Transportation System Junior Revenue Bonds _____ Series of the Authority, aggregating _____ Dollars (\$ _____) in principal amount (the "Bonds"), issued under and pursuant to the Constitution and laws of the State, particularly the Delaware Transportation Authority Act, as amended, constituting Chapter 13, Title 2, Del. Code, and the Transportation Trust Fund Act, as amended, constituting Chapter 14, Title 2, Del. Code (collectively, the "Act"), and the Trust Agreement, dated as of August 1, 1988, as supplemented (the "Trust Agreement"), between the Authority and Wilmington Trust Company, as trustee (the "Trustee"), to _____.

The Bonds are equally and ratably secured, to the extent provided in the Trust Agreement, by the pledge and assignment thereunder of the Trust Estate, which includes: all right, title and interest of the Trustee in and to the Trust Agreement (except any rights of the Authority to receive notices, certificates, requests, requisitions and other communications thereunder), including without limitation all money paid or payable to the Trustee by the Authority derived from revenues of the Delaware Turnpike, from motor fuel taxes (after satisfying certain other debt of the Authority), motor vehicle document fees and other receipts or revenue which may be pledged and assigned by the Authority to the Trustee and held in funds under the Trust Agreement other than in the Operating Fund, Operating Reserve Fund and Rebate Account, any and all other moneys and obligations (other than Bonds) which at such time are deposited or are required to be deposited with, or are held or are required to be held by or on behalf of, the Trustee, the Paying Agent or any co-paying agent in trust under any of the provisions of the Trust Agreement and all other rights, titles and interests which at such time are subject to the lien of the Trust Agreement, except as provided in the Trust Agreement.

THE LIEN OF THE BONDS IS SUBORDINATE TO THE LIEN OF THE SENIOR BONDS (AS DEFINED IN THE TRUST AGREEMENT) AS PROVIDED IN THE TRUST AGREEMENT. AN EVENT OF DEFAULT (AS DEFINED IN THE TRUST AGREEMENT) RESULTING FROM NONPAYMENT OF PRINCIPAL OF AND INTEREST ON A SENIOR BOND, AN EVENT OF DEFAULT RESULTING IN THE ACCELERATION OF DEBT SERVICE ON THE SENIOR BONDS OR THE INSOLVENCY OF THE AUTHORITY CAN RESULT IN NONPAYMENT OF THE BONDS WHILE SUCH EVENT IS CONTINUING.

ADDITIONAL SENIOR BONDS MAY BE ISSUED ON A PARITY WITH OUTSTANDING SENIOR BONDS, FROM TIME TO TIME, SUBJECT TO THE CONDITIONS PRECEDENT SET FORTH IN THE TRUST AGREEMENT.

The transfer of this Bond shall be registered upon the registration books kept at the principal office of Wilmington Trust Company, as Registrar, at the written request of the registered owner hereof or his attorney duly authorized in writing, upon surrender of this Bond at said office, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

The Bonds are issuable as fully registered bonds.

The Bonds are subject to redemption, at the option of the Authority, on or after _____ 1, _____, in whole at any time, or in part, on any Interest Payment Date, in any order selected by the Authority, at the respective redemption prices (expressed as percentages of the principal amounts of the Bonds to be redeemed), as set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Redemption Period</u> <u>(Dates Inclusive)</u>	<u>Redemption Price</u>
_____ 1, _____ to _____ 30, _____	%
_____ 1, _____ to _____ 30, _____	
_____ 1, _____ to _____ 30, _____	
_____ 1, _____ to _____ 30, _____	
_____ 1, _____ and thereafter	

If less than all of the Bonds at the time Outstanding are to be called for redemption, the particular Bonds or portions of Bonds to be redeemed shall be selected by the Authority, in such manner as the Authority in its discretion may deem proper, in the principal amounts designated by the Authority or otherwise as required by the Trust Agreement.

In the event any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds. Such notice shall be given by mailing a copy of the redemption notice by first-class mail at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the owners of the Bonds to be redeemed at the addresses shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of the Bonds as to which there shall be no such failure or defect.

With respect to any notice of redemption of Bonds unless, upon the giving of such notice such Bonds shall be deemed to have been paid within the meaning of the Trust Agreement, such notice shall state that such redemption shall be conditional upon the

receipt by the Trustee on or prior to the opening of business on the date fixed for such redemption of moneys sufficient to pay the principal of and premium, if any, and interest on such Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Authority shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of Bonds so called for redemption at the place or places of payment, such Bonds shall be redeemed.

Any Bonds and portions of Bonds which have been duly selected for redemption or deemed selected for redemption and which are deemed to be paid in accordance with the Trust Agreement shall cease to bear interest on the specified redemption date and shall thereafter cease to be entitled to any lien, benefit or security under the Trust Agreement.

The owner of this Bond shall have no right to enforce the provisions of the Trust Agreement, or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Trust Agreement, or to institute, appear in or defend any suit or proceeding with respect thereto, except as provided in the Trust Agreement.

With certain exceptions as provided therein, the Trust Agreement may be modified or amended only with the consent of the holders of 51% in aggregate principal amount of all Bonds outstanding under the Trust Agreement which would be adversely affected thereby.

Reference is hereby made to the Trust Agreement, copies of which are on file with the Trustee, for the provisions, among others, with respect to the nature and extent of the rights, duties and obligations of the Authority, the Trustee, and the owners of the Bonds. The owner of this Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms and provisions of the Trust Agreement.

The Authority, the Trustee, the Registrar, the Paying Agent, and any co-paying agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for all purposes, whether or not this Bond is overdue, and neither the Authority, the Trustee, the Paying Agent nor any co-paying agent shall be affected by any notice to the contrary.

No covenant or agreement contained in this Bond or the Trust Agreement shall be deemed to be a covenant or agreement of any official, officer, agent or employee of the Authority in his individual capacity, nor any official executing this Bond, shall be liable personally on this Bond or be subject to any personal liability or accountability by reason of the issuance or sale of this Bond.

EXHIBIT C

(Form For Registration of Transfer)

COMPLETE AND SIGN THIS FORM FOR
REGISTRATION OF TRANSFER

FOR VALUE RECEIVED, the undersigned hereby sell(s),
assign(s) and transfer(s) unto

Please Insert Social Security Or Other Identifying Number of
Assignee

.....

.....
Please print or typewrite name and address including postal zip
code of assignee

.....
this Bond and all rights thereunder, hereby irrevocably
constituting and appointing _____ attorney to
register such transfer on the registration books in the principal
office of the Registrar, with full power of substitution in the
premises.

Dated:

.....
NOTE: The signature on this
assignment must correspond
with the name as written on
the face of this bond in every
particular, without alter-
ation, enlargement or any
change whatsoever.

EXHIBIT D

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

Certificate of Authentication

This is to certify that this Bond is one of the Bonds described in the within-mentioned Trust Agreement.

WILMINGTON TRUST COMPANY,
as Trustee

By:
Authorized Officer

Date of Authentication:

Additional Bonds Certificate
(Historic Test)

(12 month period from _____ through _____)

- | | | |
|---------|---|----------|
| (1) | Delaware Turnpike Revenues | \$ _____ |
| (2) (a) | Motor Fuel Tax Revenues | \$ _____ |
| (b) | <u>less</u> maximum Principal and Interest Requirements on Prior Bonds (and any money required to fill Debt Service Reserve Fund for Prior Bonds), if any. | \$ _____ |
| (c) | Net Motor Fuel Tax Revenues [(a) less (b)] | \$ ===== |
| (3) | Document Fees | \$ _____ |
| (4) | Additional Revenues | \$ _____ |
| (5) | Sum of (1), (2) (c), (3) and (4) | \$ _____ |
| (6) | Principal and Interest Requirements - Senior Bonds (Maximum, on a combined basis, in any FY on prospective basis less proceeds of Senior Bonds to be applied to interest) | |
| (a) | Outstanding (net of proposed refunding Bonds) | \$ _____ |
| (b) | Proposed | \$ _____ |
| (c) | Total | \$ _____ |
| (7) | Senior Bonds Test: (1.75) times amount in 6(c) =
\$ _____, (less than amount in 5). | |

(8) Principal and Interest Requirements - Junior Bonds
(Maximum, on a combined basis, in any FY
on prospective basis less proceeds of Junior
Bonds to be applied to interest)

(a) Outstanding (net of proposed refunding Bonds)	\$ _____
(b) Proposed	\$ _____
(c) Total	\$ _____

(9) Junior Bonds Test: (3.00) times amount in 8(c) =
\$ _____, an amount less than the amount in 5 less the
amount in 6(c).

May issue Senior Bonds if meet Senior and Junior Bonds test; but
may issue Junior Bonds without meeting Senior Bonds test.

Also, may add to (1), (2)(a), (3) and/or (4) toll, tax or fee
increases, as the case may be, enacted into law that would have
been collected, if such increases had been in effect at the
beginning of the applicable 12-month period.

EXHIBIT F

Additional Bonds Certificate
(Alternate Test)

	<u>Current Year</u>	<u>FY1</u>	<u>FY2</u>	<u>FY3</u>	<u>FY4</u>	<u>FY5</u>
Delaware Turnpike Revenues	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(a) Motor Fuel Tax Revenues	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(b) <u>less</u> Principal and Interest Requirements for Prior Bonds, showing actual through FY4 and maximum in any FY after FY4 as if requirements had to be met in FY5 (and any money required to fill the Debt Service Reserve Fund for Prior Bonds)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(c) Net Motor Fuel Tax Revenues [(a) less (b)]	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(1) Document Fees	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(4) Additional Revenues	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(5) Sum of [(1), (2)(c), (3) and (4)]	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
(6) Principal and Interest Requirements - Senior Bonds (For FY5, must						

show maximum Principal and Interest Requirements, on a combined basis, in any FY after FY4 as if requirements had to be met in FY5) less Bond proceeds to be applied to interest.

(a) Outstanding
(net of proposed
refunding
Bonds)

	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
--	----------	----------	----------	----------	----------	----------

(b) Proposed

	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
--	----------	----------	----------	----------	----------	----------

(c) Total

	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
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(7) Senior Bonds Test
(for each FY)
(1.75 times amount
in (6) (c) = \$ _____;
an amount less than
amount in (5) for
each corresponding
FY

	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
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(8) Principal and Interest
Requirements - Junior
Bonds (For FY5, must
show maximum Principal
and Interest Require-
ments, on a combined
basis, in any FY after
FY4 as if requirements
had to be met in FY5)
less proceeds of Junior
Bonds to be applied to
interest.

(a) Outstanding
(net of pro-
posed refunding
Bonds)

	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
--	----------	----------	----------	----------	----------	----------

(b) Proposed

	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
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(c) Total

	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
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(9) Junior Bonds Test
(for each FY)
(3.00) times amount
in (8) (c) = \$ _____;
an amount less than
the sum of the amount

in (5) less the amount
in (6c) for each
corresponding FY

\$ _____ \$ _____ \$ _____ \$ _____ \$ _____ \$ _____

may issue Senior Bonds if meet Senior and Junior Bonds test; but may issue Junior Bonds without meeting Senior Bonds test.

also, may add to (1), (2)(a), (3) and/or (4) toll, tax or fee increases, as the case may be, enacted into law, for any future Fiscal Year from the date such increase is to be in effect.